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## **Southeast Asia Report**



**FOREIGN BROADCAST INFORMATION SERVICE**

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17 January 1986

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INDONESIA

CHAMBER OF COMMERCE MISSION LEAVES FOR BEIJING

Jakarta BUSINESS NEWS in English 15 Nov 85 p 8

[Text]

A mission of Kadin (Indonesian Chamber of Commerce & Industry), consisting of a number of Indonesian businessmen, is leaving here for China on November 15, 1985, to visit a fair in Beijing and to make direct trade contacts between Indonesia and China.

Kadin has decided to send trade missions to China as part of the efforts to expand the marketing of Indonesian commodities to that most populous country.

The timing of the visits is one of important factors in seeking greater opportunities to penetrate the Chinese market, especially in view of the fact that a lot of countries are currently competing to promote trade relations with China which is just open to international trade.

Japan, for instance, has engaged in cooperation with China in oil exploration/exploitation and in the processing of soybean. China consumes million of tons of soybean for food every year, but there is still no big or modern soybean processing plant in that country.

The timing of offering any kinds of products is a decisive factor in leading to successful trade. Offering plywood when a construction has been completed, for instance, is of course useless.

The Chinese market itself has not shown continuity. China used to implement the decentralization system, but it caused the fall in China's foreign exchange earnings, for many regions have used their

freedom by buying a lot of durable consumer goods. Therefore, the Chinese Government put on the brake to reduce much the purchase of goods.

For Indonesia, selling manufactured goods to China is likely not so smooth, as among the developing countries China ranks fourth after Korea, Hongkong and Singapore. Taiwan is not mentioned.

A lot of problems, such as security, make China still not fully open to international trade. Such a condition is reflected by the attitude of the Chinese Government, which has not given any comment or official information about the opening of direct trade.

It is clear, therefore, that direct trade with China will not soon result in a great leap forward. Everything must be reached with struggle. It is necessary to examine whether direct shipment is more beneficial than transshipment.

Communication is a basis for the opening of new opportunities, because the market is still flexible for China and other sides. Singapore, for example, has opened direct flight to China.

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CSO: 4200/404

INDONESIA

TRADE FIGURES WITH COMECON COUNTRIES

Jakarta BUSINESS NEWS in English 15 Nov 85 p 9

[Text]

Indonesia, which adopts the free and active policy, has for four decades engaged in trade and even bilateral trade agreements with socialist/communist countries grouped in COMECON (Council for Mutual Economic Assistance).

The Indonesian Government still goes ahead with trade activities with the Comecon countries after the aborted G-30-S communist rebellion in September 1965. In Indonesia is currently involved in trade activities with 18 COMECON countries, including 11 countries registered as full members of the council.

The 11 full members of COMECON involved in trade activities with Indonesia are: The Soviet Union, Bulgaria, Romania, Poland, Hungary, Czechoslovakia, East Germany, Albania, Cuba, Mongolia and Vietnam. One of the 18 countries, Yugoslavia, is an extraordinary member of the council.

The value of trade between Indonesia and the 18 socialist/communist countries stood at about US\$ 292.6 million in 1974, comprising US\$ 37.8 million worth of Indonesia's exports and US\$ 254.8 million worth of Indonesia's imports. This means that Indonesia sustained a deficit of US\$ 217 million in trade with socialist/communist countries in 1974.

But in 1984 the value of trade between Indonesia and those 18 countries



jumped to US\$ 536.7 million. Last year Indonesia sustained a deficit of about US\$ 153.2 million in trade with those countries.

The balance of trade between Indonesia and 18 socialist/communist countries in 1984 is as follows: (in US\$ ,000)

Socialist/Communist countries	1 9 8 4	
	Ind. exports	Ind. imports
North Korea	16,146.9	12,101.6
PRC	7,666.9	224,42.4
Cambodia	-	0.1
L a o s	3.8	-
Vietnam (North)	1,980.3	1,574.2
Afghanistan	-	0.1
Yemen	943.4	3.6
Ethiopia	371.8	8.1
C u b a	-	0.2
Czechoslovakia	14,233.6	9,235.2
East Germany	8,349.8	2,256.4
Hungary	16,652.6	10,242.3
P o l a n d	6,933.5	14,337.4
R o m a n i a	46,175.8	49,131.9
Bulgaria	816.2	2,104.1
Soviet Union	58,696.1	12,119.1
Yugoslavia	12,775.6	7,429.2
Albania	-	1.1
Total	191,746.3	344,965.0

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INDONESIA

JAPAN'S HESITATION TO MAKE MORE INVESTMENTS EXAMINED

Jakarta BUSINESS NEWS in English 13 Nov 85 pp 3, 4

[Text]

"Japanese entrepreneurs at present seem to be very much worried about the economic situation in Indonesia; they therefore become hesitant to make capital investments." This was concluded by the General Chairman of KADIN Indonesia at the end of a meeting with a large number of Japanese businessmen in Bali last week.

Such a tendency in the Japanese business sector has been noted for quite some time. Japan has great capital investment interests in Indonesia. It tops the list of foreign investments (PMA) in Indonesia.

Japan's biggest investments involve industries, especially textile, automotive, and electric and electronic industries. Its biggest PMA project is in the aluminium smelting plant in Asahan.

The fate of this industry has worsened since 1982 when Indonesia was hit by the protracted recession. Even at present its normal growth has not been regained yet, and the prospect for next year remains gloomy. In fact, the entire national industry has suffered rather than only Japan's PMA companies. Japanese firms are still stronger because of their higher efficiency. However, owing to the weak market and the greater part of capacities being idle, their profit margin is accordingly reduced. Japan still complains that most of their PMA firms in Indonesia have registered losses for the last several years. What made their "losses" even greater were the consequences of the rupiah devaluation in 1978 and 1983; particularly in 1983 because the government did not provide special depreciation faci

lities to reduce their losses. The devaluation losses resulted from the element of debts that remained big, and their instalments and interest had to be paid in the rupiah, which swells following any devaluation.

Hence the main reason for Japan's hesitation in making new investments in Indonesia is the economic prospect for the coming one to two years, instead of political stability. If Indonesia's economic prospect is engulfed by the (great) likelihood of low growth and another devaluation (in case oil prices drop), then Japan prefers to wait and see. The Japanese will give priority to rescuing the existing investments by further enhancing the efficiency of their companies, if necessary by making additional investments, before considering significant amounts of new investments.

The Indonesian government is expected to improve the business climate for PMA firms, especially by lessening restrictions on their scopes of operation. PMA have indeed been restricted in several areas, such as the prohibition to be engaged in domestic distribution themselves, to obtain rupiah credits from state banks, the limited freedom to employ foreign experts, the obligation to offer most of their shares to Indonesian partners within ten years, and so on. On this narrowing market and with the uncertainty in the rupiah exchange rate, all these operational constraints increase their risks. Consequently, they become less enthusiastic in making new investments here.

Will Japan be "withdrawing" from Indonesia as a major investor? Definitely not. Japan will continue to regard Indonesia as the most important country in South east Asia whose long term future is fairly promising. Is Japan going to invest its capital in other countries? A strong flow of investments is already noticeable, leading to the US, Canada and Europe, notably because the markets in these countries are a lot vaster and Japan has to offset restricted exports to these destinations. So the Japanese PMA also consti

tute import substitution industries as the ones already set up in Indonesia. The difference is that such industries have begun to get saturated in Indonesia.

Are Japanese investments also leading to the other developing nations in East and Southeast Asia in significant amounts? They are not either. The whole of Southeast Asia is undergoing the same recession, and NICs are no exception. Possibly Japan is interested to make major investments in the PRC, but the Japanese remain very cautious because they are not yet sufficiently convinced of the stability of its economic climate (policy) & the business climate for PMA.

Hence Japan actually has plenty of surplus funds for investments in Indonesia as long as the PMA climate and the business climate favours PMA. In fact, the same also applies to US and European interests in Indonesia. Quite a number of missions have visited here of late to explore the investment (and trade) climate in Indonesia. The number of applications for PMA projects has also started to rise again.

If we are patient, and no economic upheavals take place next year, and furthermore, if the government keeps on improving the investment and business climate, capital investments will again be on the increase.

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INDONESIA

PLANTATION SECTOR SHORT OF WORKERS

Jakarta BUSINESS NEWS in English 13 Nov 85 p 8

[Text]

The Chairman of the Association of Indonesian Plantation Management (HIMAPI), W.L. Siagian, disclosed here recently that there had so far been no dismissal of workers in plantation companies, for the plantation sector was currently short of workers.

The lack of skilled workers for the handling of plantations, particularly in isolated and hinterland areas, has hampered the development of plantations, the HIMAPI chairman said further.

The shortage of skilled workers in the plantation sector will not only cause the fall in the production of plantation commodities, but also arouse socio-political impacts, like what happening in the neighbouring countries which produce the same plantation commodities as those yielded in Indonesia, he explained.

Manpower investment in the plantation sector is relatively cheaper than manpower investment in other sectors, particularly for Indonesia which has a big population, he revealed.

Geographically, Indonesian climate and land territories are ideal for the development of plantations, not only to ensure the improvement of people's livelihood, but also to increase foreign exchange earnings from nonoil/gas exports, he pointed out.

Plantation found in Indonesia covered about 9,170,000 ha in 1984, of which 87% consisted of smallholders' plantation, 7.5% consisted of plantations belonging

to PTP/PNP (state-run plantation companies) and 5.5% consisted of plantations managed by private companies.

At least 3 million skilled workers are needed to handle 9,170,000 ha of plantations, Siagian said, adding that if each skilled worker served as a head of family, there were around 15 million of people depending their life on growing plantation commodities.

The expansion of plantations in Indonesia in Pelita III (third five-year development plan - 1979/80 to 1983/84) reached around 1.6 million ha, and the effort to expand plantation will be intensified in the current Pelita IV and the next five-year periods of Pelita.

Siagian mentioned the need to create more skilled workers for the handling of plantations to support the expansion of the planting of plantation commodities. He also stated the need to give priority to the development of the plantation sector in the country.

He pointed out that in the current difficult situation, when a lot of companies had to reduce the number of their workers, the plantation sector needed an addition of a great number of workers, particularly in isolated areas. Thus the plantation sector is a potential field for the expansion of job opportunities, he added.

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INDONESIA

MINERALS PRODUCTION FIGURES 1980-1984

Jakarta BUSINESS NEWS in English 13 Nov 85 p 9

[Text]

The production of three of nine kinds of minerals in Indonesia, namely copper ore, iron sand concentrate and coal, showed an increase in 1984 compared with that in 1981.

Six other kinds of important minerals Indonesian produces are petroleum, tin concentrate, nickel ore, bauxite, gold and silver ore. Compared with 1983, the production of coal, bauxite and silver was up last year.

The production of bauxite rose by around 28.96 percent from 777,900 metric tons in 1983 to 1,003,200 metric tons last year, the production of coal increased almost threefold from 485,700 tons in 1983 to 1,084,700 tons in 1984, and the production of silver ore went up by about 11.48 percent from 1,793,700 kg in 1983 to 1,999,700 tons last year.

The production of crude oil, tin concentrate, copper concentrate, nickel ore, iron sand concentrate and gold fell last year as against that in 1983.

The production dropped from 490.5 million barrels to 435.4 million barrels for crude oil, from 26,600 metric tons to 23,200 metric tons for tin concentrate, from 205,000 metric tons to 190,300 metric tons for copper ore, from 1,298,000 metric tons to 1,066,800 metric tons for nickel ore, from 124,900 metric tons to 82,900 metric tons for iron ore and from 259,500 kg to 239,100 kg for gold.

The production of nine kinds of minerals from 1980 to 1984 is as listed below :

MINERALS	1980	1981	1982	1983	1984
1. Crude oil (million barrels)	577.0	584.8	488.2	490.5	435.4
2. Tin concentrate (.000 m.tons)	32.5	35.4	33.8	26.6	23.2
3. Copper ore (.000 m.tons)	186.1	188.5	223.7	205.0	190.3
4. Nickel ore (.000 m. tons)	1,537.4	1,543.2	1,640.9	1,298.0	1,066.8
5. B a u x i t e (.000 m.tons)	1,249.1	1,203.4	700.2	777.9	1,003.2
6. Iron sand concentrate (.000 m.tons)	62.9	86.8	144.5	124.9	82.9
7. Coal (.000 m.tons)	304.0	350.4	480.9	485.7	1,084.7
8. G o l d (.000 kg).	247.9	183.1	222.7	259.5	239.1
9. Silver (.000 kg)	2,195.9	2,000.2	3,057.9	1,793.9	1,999.7

Source: The Department of Mining & Energy.

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INDONESIA

PLYWOOD INDUSTRY FLOURISHING DESPITE RECESSION

Jakarta BUSINESS NEWS in English 15 Nov 85 pp 7,8

[Text]

Despite the recession reflected by the fall in the prices of commodities and the dismissal of workers, Indonesia's exports of plywood, including blockboard & veneer, tend to increase in volume and value, Chairman of Apkindo (Indonesian Timber Panel Association) Bob Hasan told newsmen here recently.

The increase of plywood exports, according to the Apkindo chairman, partly results from the success made by Indonesian exporters in penetrating new markets. He also pointed out that the price of plywood was stable thanks to the awareness of traders of the need to avoid unfair competition by preventing offering too low prices for their products.

Bob Hasan revealed that good management and marketing mechanism was needed to guarantee the success in carrying out export drive in the marketing of timber products which showed a bright prospect.

Indonesia's plywood exports stood at 2,673,784.2 cu.m. worth US\$ 581,150,554.150 in the first nine months of this year, an increase of about 24.6 percent in volume and 22.5 percent in value as against 2,146,705.7 cu.m. worth US\$ 474,321,871 in the corresponding period of 1984.

The biggest increase in Indonesia's exports of plywood is recorded in the supply to Japan, which indicated an increase of 173.2 percent in volume and 185.0 percent in value in the same period. The increase was also recorded in the supply to the United States, Britain, Europe, Ko

rea, Hongkong/China and Australia. But Indonesia's exports of plywood to the Middle East, North Africa, Taiwan and Singapore dropped in value, though the export volume was up by 9.9 percent.

Thanks to the export drive launched by Indonesian businessmen, Indonesian plywood has penetrated Japan, Taiwan, Australia, Sri Lanka and Romania this year. Indonesia's exports of plywood to those countries stood at 61,679.3 cu.m. in September/October 1985, a decline of around 6.8 percent compared with 66,186.0 cu.m. in the same month last year.

Indonesia is now dominating 70% of the marketing of plywood in the world. The total installed capacity of 110 plywood plants in Indonesia is 6 million cu.m, but those plants are currently operating with a real total capacity of 4.5 million m<sup>3</sup>, because several of them are still weak in management.

Bob Hasan admitted that the recession had reduced profits gained by plywood producers. But he stressed the importance of preventing the plywood industry from the dismissal of workers, and pointed out that there had so far been no termination of labour relations in the wood processing industry. Several plywood producers have even increased the number of their workers, he added.

The Apkindo chairman mentioned, among others, a plywood producer which recruited 300 new workers on November 1, 1985, and another plywood industrial company which was planning to receive 1,000 more workers in the beginning of 1986 to operate its third plant.

Twenty-five plywood plants are now still under construction and the construction of 37 more plywood plants are still under preparation. Twenty out of the 25 plants are expected to be completed in 1986.

Logs, as the basic material of the plywood industry, is abundantly available in Indonesia. In the procurement of this basic material, Indonesia implements a selective tree-felling system. The cutting of trees in each hectare of forests has been determined at no more than six

trees with a diameter of no less than 60 cm. With such a system, the first tree-felling in every part of the forests will be followed by the second tree-felling after 35 years, Bob Hasan explained.

He confirmed it was not true that the plywood industry was short of basic material. The fact that Indonesia lags behind other countries in developing the plywood industry, 30 years later than the Philippines, is a blessing in disguise, he said.

The Apkindo chairman expressed confidence that the prospect of plywood exports was very bright for Indonesia, especially in view of the fact that other plywood exporters could no longer promote their exports.

In Singapore, for instance, only one of 46 plywood producers is still capable of maintaining its operation, while in Taiwan only 50% of 100 plywood plants still operate. In South Korea, only eight of 60 plywood plants still survive. In Japan, 125 of 300 plywood plants are still productive.

A great number of plywood plants in those countries have to stop their operation as a result of the Indonesian policy to discontinue log exports. If 200 plywood plants operate in Indonesia, the plywood industry in this country will face no problem in the procurement of logs as a basic material, Bob Hasan expressed his optimism, adding that this field of industry also would not face difficulties in the recruitment of workers and in fixing sufficient wages.

Bob Hasan expressed the hope that the Apkindo members would be able to utilize to the optimum the opportunity to promote plywood exports. The member of the association have agreed to set up PT Fendi Indah, a company which will serve as a trading house for panel products.

To boost the expansion of plywood exports, an incentive amounting up to US\$ 5 is provided for the export of each 1 cu. m. of plywood to the new market. The provision of incentives is of importance to the effort to penetrate new markets, the Apkindo chairman said.

In this context, he pointed out that Japan needed around 7 million m3 of plywood every year. Indonesian plywood exporters can be considered successful if they can fulfil 15% of Japan's need for plywood, or about 1 million m3 a year without disturbing the operation of plywood plants in that East Asian state.

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INDONESIA

ROK COMPANY TO SET UP REFRACTORY BRICK PLANT

Jakarta BUSINESS NEWS in English 15 Nov 85 pp 9, 10

[Text]

A South Korean company, Chosun Refractory Co. Ltd., is planning to set up an industrial plant in Cilegon, West Java, which will produce refractory materials. To be built in the Krakatau Industrial Estate, the plant which will be equipped with modern instruments and facilities will produce around 25,000 tons of refractory bricks a year.

The construction of the plant is scheduled to start in 1986 and the project is expected to be completed at the end of 1988, and the plant will be able to start its commercial production in the beginning of 1989. Based on the latest calculation, the plant will be entirely completed at a total cost of around US\$ 11 million.

The plant will be built and managed by PT Genindo REfractories, a joint venture between PT Genindo Nusantara Citra (Indonesia) and Chosun Refractory Co. Ltd. (South Korea). PT Genindo Nusantara Citra, member of the Bimantara Group, will own 75 percent of capital invested in the joint venture company, while the remaining 25 percent of the capital will be held by the Korean partner.

The foreign partner will seek a foreign loan totalling US\$ 7.7 million for the procurement of capital to be invested in the plant. The remaining US\$ 3.3 million out of the total capital investment worth US\$ 11 million will consist of the



capital of the Indonesian and Korean companies.

Greater part of refractory bricks to be produced by the plant will be supplied to steel processing units and other metal processing plants found in and around the Krakatau Industrial Estate. PT. Krakatau Steel and its subsidiary companies have so far been the biggest consumer of refractory bricks.

PT Cold Rolling Mill Utama, an industrial company which is planning to begin producing steel plates by 1988, will consume a large volume of refractory bricks.

The construction of the plant which will produce refractory bricks will reduce the dependence of Indonesia on import in the procurement of that material. Indonesia's imports of refractory bricks rose by about 46.1 percent from 38,207 tons in 1983 to 55,817 tons last year.

Indonesia's imports of refractory bricks reached the peak of 59,087 tons worth US\$ 47,905,000 in 1981. The development of Indonesia's imports of refractory materials from 1980 to 1984 is as follows:

Year	Refractory brick /tile & the like	Heat insulating brick	Others
1980 tons	48,779	3,296	1,709
US\$ '000	29,927	2,783	2,226
1981 tons	38,927	15,506	4,654
US\$ '000	25,317	18,457	4,131
1982 tons	38,622	10,007	2,833
US\$ '000	23,350	7,383	1,713
1983 tons	30,702	4,290	3,215
US\$ '000	21,410	2,757	3,747
1984 tons	46,985	3,783	5,049
US\$ '000	28,447	3,875	4,284

Source: BPS (Central Bureau of Statistics).

INDONESIA

WAYS TO PROTECT DOMESTIC INDUSTRY DISCUSSED

Jakarta BUSINESS NEWS in English 20 Nov 85 p 3

[Text]

The "Kompas" daily last week carried an interview with a key official of the Ministry of Trade. The official said that "the Ministry of Trade in fact only wants to provide protection by tariff duties for the domestic industry". This statement is important because it has for the first time reflected the position of a department concerned with the realisation of a system of protection for the domestic industry.

Strangely, the key official making the important statement declined to be identified. This is most likely because the problem is still sensitive among the government/department circles themselves, in the sense of the absence of agreement.

The ministries concerned with the problem of protection are those of trade, finance and the technical department (referring frequently to the ministry of industry). The trade ministry is concerned because protection for industries is seen as a trade policy. The finance ministry views it as a fiscal and customs problems. The technical department regards it as an important element of the industrial policy.

The question is how to protect the domestic industry against external competition coming through imports. What kinds of policy instruments are supposed to be used? There are three alternatives: to impose fairly high import duty rates, to restrict imports quantitatively with quotas, or to ban imports completely.

In the past (for instance during the period of first and second five-year plans) the protection instrument used was particularly import duty rates, without quota restriction. But after some time complaints were voiced by this industry that the protection was not so effective due to the tactic of underinvoicing (involving prices, quantities or qualities/types). The quota system was not so popular at that time because the problem of determining quotas and allocations for companies allowed to import (private firms, state companies, or who else?) was complicated and could become a sensitive political issue. If imports are subjected to quota restriction no action can be taken against goods that are sold too cheaply at shops because it is difficult to prove whether such goods have been smuggled in. So total bans are suggested. But this measure can only be applied when domestic production capacities are already sufficient. Examples of total bans are those imposed on motor vehicles, radio receivers, television sets, and so forth.

For the technical department total bans are most effective. However, such a policy puts aside the question whether Indonesia is economically capable of producing the goods concerned. This is the problem of comparative advantage. An example was cited in the interview at the Ministry of Trade. The sugar price abroad is equivalent to only Rp 120 per kg, but at home it is Rp 450. So 200% import duty is not enough yet to protect the domestic sugar industry. The lesson is that Indonesia in fact has lost the comparative advantage to produce granulated sugar from sugarcanes now realised in Java. This is like the US, which actually should have demolished their textile industry. But a branch of industry already historically established is very hard to cease. There is always the reason (employment) and strategy (self sufficiency in a state of war) considered valid. The only sensible way-out is gradual liquidation of a certain industry no longer in keeping with the times, or at least refraining from

setting up new plants. Japan for instance is phasing out its aluminium, nickel and plywood industries.

Back to the policy debate: is it better to give protection through import duty tariffs alone, or it is necessary to impose total bans as well? Valid reasons to support the use of tariffs alone were stated by the "key official of the Ministry of Trade" as published by "Kompas" on Monday, November 11.

If we already agree to give moderate protection to the domestic industry, and that the protection is supposed to be reduced gradually, then the idea of the trade ministry deserves appreciation.

It is better to apply one instrument of protection, viz. through import duty rates. These tariffs can at first be fixed at a fairly high level to provide effective protection, but there should be certain schedules for reduction in phases, for instance from five to ten years. Finally the level of protection should be low.

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CSO: 4200/404

INDONESIA

PERTAMINA'S INCOME UP

Jakarta BUSINESS NEWS in English 20 Nov 85 p 7

[Text]

With the permit of the Board of Commissioners of the Pertamina state oil company, for the first time the company made a financial statement at a hearing with Parliamentary Commission VI here recently.

Director of Financial Affairs of Pertamina Drs. Abda'oe, flanked by President Director of Pertamina AR Ramly, reported at the meeting that Pertamina's total income which had been audited till March 31, 1984 stood at Rp 10.6 trillion, while the income of the company till March 31, 1985 which had not been audited were worth Rp 13.1 trillion.

Profits gained by the company rose from Rp 576.1 billion till March 31, 1984, to Rp 685.1 billion till March 31, 1985. The assets of the company already audited till March 31, 1984, stood at Rp 13,115,655 million, while the company's assets not yet audited till March 31, 1985, amounted to Rp 14,106,249 million.

For the operation of Pertamina, excluding the production of LNG and the operation of its subsidiary companies, the position of the company till March 31, 1984, after being audited is as follows: income - Rp 7,952,144 million, total cost - Rp 6,692,360 million, profits - Rp 574,090 million and assets - Rp 8,578,716 million. The position of company's income, expenditures, profits and assets till March 31, 1985, was not reported.

The law No.8/1971 stipulates that operational tax that must be paid by Pertamina

mina is 60 percent of its profits. But then it was followed by the issuance of the Government Regulation No.41/1982 on retention tax which has been retroactively effective since 1979.

Pertamina paid operational tax and retention tax totalling over Rp 560 billion in fiscal 1982/83 and the amount paid by the company declined to Rp 506 billion in fiscal 1983/84, but jumped to Rp 1.2 trillion in fiscal 1984/85. In the first seven months of the 1985/86 fiscal year (from April to October 1985), Pertamina paid operational tax and retention tax amounting to Rp 423.9 billion. Thus the total of operational tax and retention tax paid by Pertamina from April 1982 to October 1985 reached Rp 2,7 trillion.

This year Pertamina is assigned to collect value added tax. From the collection of value added tax, Pertamina handed over to the government Rp 48.9 billion in April, Rp 33.8 billion in May, Rp 47.5 billion in June, Rp 34.6 billion in July, Rp 47.7 billion in August and Rp 42.5 billion in September. Thus the company paid value added tax amounting to Rp 255.1 billion in the first semester 1985/86. In October this year, the company paid value added tax amounting to Rp 41.7 billion.

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CSO: 4200/404



INDONESIA

DEVELOPMENT OF FISHERIES

Jakarta BUSINESS NEWS in English 20 Nov 85 p 9

[Text]

The government has allocated Rp 22,160 million for the development of the fishery sector in the 1985/86 fiscal year, slightly higher than Rp 22,130 earmarked for the same sector in 1984/85.

Of the funds, Rp 21,800 million will be used to finance the program aimed at increasing fish production, Rp 100 million for the development of fish farming in transmigration centres, Rp 30 million to finance statistical development and Rp 108 million to develop government apparatuses dealing with the fishery sector.

Projects handled in the current 1985/1986 to increase fish production include :

1. the building of two fishery harbours in Central Java and North Sumatra;
2. the rehabilitation of 20 fishery harbours in West Java, Central Java, East Java, Aceh, North Sumatra, West Sumatra, Riau, South Sumatra, West Kalimantan, Central Kalimantan, South Kalimantan, East Kalimantan, North Sulawesi and East Nusatenggara, and 11 locations for the landing of fishing vessels in Central Java, Aceh, Riau, South Sumatra, Lampung, West Nusatenggara and Irian Jaya;
3. the rehabilitation and construction of waterworks for fishponds in East Kalimantan, Central Sulawesi, Southeast Sulawesi and West Nusatenggara;
4. the rehabilitation of 41 baby fish breeding centres in Jakarta, Central

Java, Yogyakarta, East Java, Aceh, North Sumatra, West Sumatra, Jambi, South Sumatra, Bengkulu, Lampung, West Kalimantan, South Kalimantan, East Kalimantan, North Sulawesi, Central Sulawesi, South Sulawesi, Southeast Sulawesi, Bali, West Nusatenggara, Irian Jaya and East Timor; and nine baby shrimp breeding centres in Central Java, Yogyakarta, East Java, Bali, East Kalimantan, South Kalimantan and Sulawesi;

5. setting up units for supervision of fish catching activities;
6. setting up eight fishery laboratories in Jakarta, West Java, East Java, South Sumatra, West Kalimantan, South Kalimantan, Southeast Sulawesi, and West Nusatenggara.

According to the planning bureau of the Agriculture Ministry, the production of fish in Indonesia in 1985 is projected at 2,370,500 tons, comprising 1,749,100 tons of sea-fish and 621,400 tons of fresh water fish.

The production of fish in 1988 (final year of Pelita IV), is projected at 2,811,300 tons, consisting of 2,058,600 tons of sea-fish and 752,700 tons of fresh-water fish.

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CSO: 4200/404

INDONESIA

OIL PRODUCTION FROM PRODUCTION SHARING CONTRACTS UP

Jakarta BUSINESS NEWS in English 20 Nov 85 pp 9, 10

[Text]

Around 95 percent of oil/natural gas exploration and exploitation activities in Indonesia are at present handled by utilising foreign capital. The utilization of foreign capital is managed through working contracts and production sharing contracts between the state-owned oil company Pertamina and foreign contractors.

Oil production in Indonesia resulting from the exploitation of oil fields by Pertamina and by contractors under working contracts has in the past ten years showed a decline of about 22 percent and 33 percent respectively. The production of crude oil by Pertamina decreased from 40 million barrels in 1974 to 31 million barrels in 1984, while crude production by foreign contractors under working contracts dropped from 348 million barrels in 1974 to 233 million barrels last year.

The production of crude oil under production sharing contracts between Pertamina and foreign contractors jumped from 112 million barrels in 1974 to 431 million barrels in 1984, an increase of around 282 percent.

Crude production under production sharing contracts tends to continue to increase, because the sharing of oil production is based on the increasing percentage system for the portion of the Indonesian Government.

Based on working contracts, the portion of the government every year is no less than 20 percent of the gross oil

output. Minister of Mines & Energy Su-  
broto reported at a meeting with Parlia-  
mentary Commission VI here recently that  
it was difficult to meet the target of  
crude production at 1.7 million bbls/day  
in the 1988/89 fiscal year, because of  
among other things the stagnation of oil  
production and the imposition of produc-  
tion quota by OPEC.

Pertamina had up to 1984 signed 69  
contracts with foreign contractors for  
oil exploration and exploitation in Indo-  
nesia. The 69 contracts consist of two  
working contracts, one contract based on  
technical assistance and 66 production  
sharing contracts.

The working contracts and production  
sharing contracts are for 30 years, invol-  
ving mostly American contractor companies,  
followed by contractors from France, Japan,  
Canada, the Netherlands, Australia, West  
Germany, South Korea and Hongkong.

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CSO: 4200/404

INDONESIA

HONDA TO MANUFACTURE CAR ENGINES HERE

Jakarta BUSINESS NEWS in English 15 Nov 85 p 4

[Text]

The Industry Department has approved an application for setting up a joint venture company, involving PT Prospect Motor (Indonesia), Honda Motor Co. Ltd. and Kanematsu Gosho Ltd, which will manufacture engines for sedans in Indonesia.

This was disclosed by Director General for Machinery and Base Metal Industry Ir. Eman Yogasara, after he, together with managers of Honda Motor Co. Ltd., Kanematsu Gosho Ltd., and Prospect Motor (Indonesia), met with Minister of Industry Ir. Hartarto here recently.

Based on the existing agreement, automotive engines to be produced by the company will also be exported to other ASEAN countries. But in the first stage, the products will be used only to meet the domestic demand.

It is for the first time for Honda to invest capital for the full manufacture of automotive engines in Indonesia. Of the planned total shares in the joint venture company, US\$ 3,500,000 or 55% will be owned by Honda Motor Co. Ltd., US\$ 1,500,000 or 15% will be owned by Kanematsu Gosho Ltd. and US\$ 3,000,000 or 30% will be possessed by PT Prospect Motor Indonesia.

The plant will operate with total investments amounting to US\$ 20 million and a debt equity ratio of 50 : 50. The working capital of the company is estimated at US\$ 10 million.

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CSO: 4200/404

LAOS

KAYSONE CONGRATULATES NEW POLISH LEADER

Vientiane NEWS BULLETIN in English 11 Nov 85 p 1

[Text] Vientiane, 11 Nov (KPL)--Kaysone Phomvihane, general secretary of the LPRP CC, chairman of the Council of Ministers, and Souphanouvong, president of the Lao PDR, on 7 November, sent a joint telegramme of congratulations of Wojciech Jaruzelski, first secretary of the Central Committee of the Polish United Workers' Party, president of Poland's Council of State. The telegramme says:

"On the occasion of your election as 'President of Poland's Council of State, on behalf of the LPRP CC, the PSA, the Council of Ministers of the Lao PDR, the people of Laos, and in our own names, we would like to express our sincere congratulations to you.

"The results of this general election demonstrated the Polish people's determination to continue safeguarding and developing the fruits of the socialist revolution in the Polish People's Republic.

"We firmly believe that with your intelligence and rich revolutionary experiences and the trust given you by the party, government and people of Poland, the construction of developed socialism in Poland will score new successes in all spheres, thereby contributing to the solidarity and might of the socialist community and to the defence of peace and security in Europe and all over the world.

"May the fraternal friendship, militant solidarity and close cooperation between the parties, governments and peoples of the two countries be further developed.

"We wish you good health and success in your noble mission."

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CSO: 4200/420



LAOS

# GREETINGS TO POLISH LEADERS

Vientiane NEWS BULLETIN in English 11 Nov 85 p 4

[Text] Vientiane, 11 Nov (KPL)--Souphanouvong, president of the republic and of the PSA, and Kaysone Phomvihane, chairman of the Council of Ministers, on 7 November sent messages of greetings to Loman Malinowski and Messner Zbigniew on the occasion of their election respectively as president of the Diet and chairman of the Council of Ministers of the PPR.

In their messages, the Lao leaders expressed their warmest congratulations to the new Polish leaders who are entrusted with important missions by the party, government and people of the PPR.

The messages say:

"We are firmly convinced that your rich revolutionary experiences will contribute to the construction of developed socialism in the PPR for the prosperity of the Polish people as well as for the strengthening of the socialist community and peace in Europe and the world.

The message expressed wishes for further promotion of the fraternal friendly relations, militant solidarity and close cooperation between the Lao PDR and the PPR and good health, happiness and success to the new Polish leaders in their future work.

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CSO: 4200/420

LAOS

PASASON SCORES THAILAND'S 'WARLIKE ATTITUDE'

BK181442 Vientiane KPL in English 0916 GMT 19 Dec 85

[Text] Vientiane, December 19 (KPL)--Facts have shown that the Thai ruling circles have tied themselves up to Washington's and Beijing's military venture in this part of the world, PASASON writes in its commentary today.

The paper says: Bangkok's war-like attitude has long been practiced in the form of pan-Thaism. This was clear when Thailand invaded the three Lao border hamlets of Sayaboury Province in 1984 following General Athit Kamlang-ek's visit to China. It is also clear from Thailand's support to "Democratic Kampuchea" and its huge stockpiling of weapons.

The pan-Thaism policy can be seen through Thailand's military budget this year which amounted to nearly 40 billion baht, the paper points out. The purchase of 12 billion baht worth of U.S. F-16 fighter-bombers has aroused deep concern among the Thai public. Bangkok's "request" for 24 tanks, 14 anti-aircraft guns and other war materials from China has given proof of its close military alliance with Beijing, which is detrimental to regional peace.

The paper continues: Thailand is suffering from a deep economic crisis as a result of its huge military spendings and its continued service to Washington's and Beijing's military venture. The majority of the Thai people have been adversely affected by this policy of the Thai ruling circles. It is certain that they will continue to suffer as long as the present Thai military circles headed by Gen Athit Kamlang-ek keep spending huge sums in hopes of realizing his ambition, heedless of the sagging national economy, the paper concludes.

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CSO: 4200/435

LAOS

# KPL CITES PASASON HAILING SOVIET PEACE EFFORTS

BK181222 Vientiane KPL in English 0929 GMT 18 Dec 85

[Text] Vientiane, December 18 (OANA-KPL)--The removal of "SS-20" missiles from standby alert and the dismantling of their stationary structures in the European zone by the Soviet Union have reflected its tireless efforts to curb the arms race and stabilize world peace, writes PASASON in its commentary today. The paper says that the recent joint statement of the Soviet-U.S. Geneva summit has given mankind hope for peace, but this hope will become realistic only if the U.S. acts in accordance with the spirit of the statement.

The paper goes on: While the Soviet Union is doing its utmost to ban the arms race on earth and prevent it from spreading to outer space, the U.S. Administration has tried to lure its allies into its "star wars" programme, thus dimming the world people's hope for peace. The refusal by Canada, West Germany, Greece, Norway, France and the Netherlands to join the Pentagon's strategic defense initiative (SDI) is a concrete proof of discontent shown by U.S. allies over the U.S. war mongering policy. As for Britain's decision to participate in the SDI, this is only indicative of its subservience to the U.S. influence.

Washington's warlike policy can be seen through the huge budget it reserves for the development of SDI totalling 1,500 billion dollars, and for the development of its naval bases for 1986 totalling 9.2 billion dollars. Worse still, the U.S. has allocated more than 550 million dollars to help the Somoza, UNITA [National Union for the Total Independence of Angola], and Afghan counter-revolutionary gangs. The continued U.S. assistance to "Democratic Kampuchea" and the frequent visits by U.S. nuclear-powered battleships to Japanese ports have clearly attested to the White House's intention to deepen its interference in the region despite strong local protest. All these moves on the part of the U.S. have run counter to the spirit of the joint Soviet-U.S. statement, the paper concludes.

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CSO: 4200/435

LAOS

KAYSONE PHOMVIHAN GREETES TRADE UNION SEMINAR

BK181158 Vientiane KPL in English 0906 GMT 18 Dec 85

[Text] Vientiane, December 18 (OANA-KPL)--Kaysone Phomvihan, chairman of the Council of Ministers, today sent a message of greetings to the current Asian Trade Union seminar here.

The message says:

"On behalf of the Lao PDR and the people of Laos I would like to convey my warm congratulations and best wishes to all delegates to the seminar, particularly to those of the world federation of trade unions which suggested our country as the venue for this seminar."

After speaking of the general situation in developing countries in Asia and the role of Lao trade unions in socialist transformation and construction, the message goes on:

"I think the trade unions and working class of each country can carry out their duty in rural development and other spheres of activity only when there is peace. Therefore, together with the fraternal peoples of Vietnam and Kampuchea, we have unceasingly struggled for making South-East Asia a region of peace, friendship and cooperation, and for the preservation of peace and security in Asia and the world.

"The Lao PDR welcomes the just stance and high responsibility shown by the Soviet Union to peace and security of other nations, as at the Soviet-U.S. summit, and urges the United States to keep its words.

"I believe that the seminar will find out ways of ensuring the cooperation of trade unions and the working class for effective rural development, thereby further developing our countryside.

"I wish the seminar success and hope that it will contribute to strengthening the solidarity, friendship and mutual understanding among the working classes in Asia and the world as well."

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CSO: 4200/435

LAOS

# SOUPHANOUVONG RECEIVED ASIAN TRADE UNIONISTS

BK201341 Vientiane KPL in English 0904 GMT 20 Dec 85

[Text] Vientiane, December 20 (OANA-KPL)--Souphanouvong, president of the Lao PDR and the PSA, on December 19, received the delegates to the Asian trade union seminar on the role of trade unions in accelerating rural development, who paid a courtesy visit to him.

They were delegates from Afghanistan, Bangladesh, India, Kampuchea, Laos, Mongolia, the Philippines, Sri Lanka, Thailand, the Soviet Union, Vietnam, the World Federation of Trade Unions, the International Labour Organization, and the Food and Agriculture Organization.

During the cordial reception President Souphanouvong warmly hailed the success of the seminar, describing it as a contribution to further strengthening the solidarity, friendship and cooperation of the working classes in Asia for rural development.

He also spoke of the achievements obtained by the Lao people and working class in the past ten years of national defence and socialist construction. He pointed out that the maintenance of peace is vital to the national construction of each country and that it is the main point in the foreign policy of the Lao PDR.

On behalf of the delegates, D. President Souphanouvong for his cordial reception. [sentence as received] He warmly congratulated the Lao people on their achievements in the past ten years, and said the WFTU support the home and foreign policies of the Lao PDR under the leadership of the LPRP.

D. Ganguli also read out a message expressing thanks to the government and people of Laos for their hospitality and for having created favourable conditions for the success of the seminar.

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CSO: 4200/435

LAOS

#### COOPERATION WITH SRV ON RADIO SYSTEM

Vientiane NEWS BULLETIN in English 21 Oct 85 p 4

[Text] Vientiane, 21 Oct (KPL)--An agreement on cooperation between the radio broadcasting services of Vientiane and Hanoi was signed here on 19 October.

Signatories to this agreement were Savath Vilaythong, head of the Vientiane News Agency, Newspaper and Radio Service, and Tran Dinh He, head of the Hanoi Radio Service.

Present on this occasion on the Lao side were Sithon Sibounhuang, deputy-minister, member of the party and administrative committees, and head of the planning service, of Vientiane, who is also head of the commission for economic, and cultural cooperation between Vientiane and Hanoi, Khampong Soulinphoumi, deputy-minister, member of the Vientiane Party Committee, and representative of the Station Radio and Television, and other high-ranking officials. On the Vietnamese side were Nguyen Dinh Hiep, member of the party and administrative committees of Hanoi, head of the Hanoi experts' team to Vientiane, and other Vietnamese experts concerned.

On this occasion the visiting delegation of the Hanoi Radio Service handed over a number of equipment worth 5 million kip for the installation of a loud-speaker system in Vientiane as a present to the first conference of the Vientiane Party Committee.

The Vietnamese delegation arrived here on 17 October on an official friendship visit at the invitation of the News Agency Newspaper and Radio Service of Vientiane, and it will leave here for home today. During its stay, the delegation was warmly received by Sithon Sibounhuang. The two sides discussed various issues on Vientiane-Hanoi cooperation. Sithon Sibounhuang, on this occasion, highlighted the success of the setting up of the loud-speaker system in Vientiane with the help of Hanoi experts.

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CSO: 4200/420



LAOS

ASIAN TRADE UNIONISTS THANK LPDR FOR SEMINAR

BK201401 Vientiane KPL in English 0914 GMT 20 Dec 85

[Text] Vientiane, December 20 (OANA-KPL)--The delegates to the Asian trade union seminar on the "Role of Trade Unions in Accelerating Rural Development," which closed here yesterday, have expressed their sincere gratitude to the Lao Government, the Lao Federation of Trade Unions [LFTU] and people for their hospitality and assistance in hosting the seminar.

In their joint message of thanks, the representatives of national and international trade union organizations greeted the heroic Lao people and wished them successes in the consolidation of their socialist achievements under the guidance of the LPRP. "Such prosperous development of the socialist economy significantly contributes towards the rise of working and living conditions of the Lao people," the message said.

It went on: The Lao Government's policy for peace and friendly relations and cooperation with neighbouring states, for fraternal cooperations with the socialist community and for peaceful coexistence and cooperation among nations has earned worldwide appreciation.

The delegates highly evaluated the activities of the LFTU in mobilizing the Lao working people in safeguarding and building socialism, and its contributions to the struggle of the working class and trade unions in the region and in the world, against imperialism, the arms race, the neo-colonial policy of the transnational corporations, for peace, a new and just international economic order, national independence, and social progress.

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CSO: 4200/435

LAOS

#### FORESTRY COOPERATION WITH SRV

Vientiane NEWS BULLETIN in English 4 Nov 85 p 5

[Text] Hanoi, 4 Nov (VNA)--In the first half of this year Vietnam helped Laos exploit 20,000 cubic metres of timber, part of which are for export. The ministry of forestry alone, together with the logging camps of Laos, has exploited 7,000 cubic metres.

Vietnam is helping Laos survey and explore its forest resources, exploit its forests and reafforest many wastelands.

A conference on cooperation in forestry between Vietnam and Laos was arranged in Hanoi in mid-September last. The conference set the target of exploiting from 200,000-500,000 cubic metres of timber per year from 1986 to 1990, of which 1-1.2 million cubic metres will be exported. The conference also discussed the building of support facilities such as timber hauling tracks, population centres near the forests, agricultural farms, etc. Recently, a team of the Laos Highland Economy Building Corporation paid a working visit to the Vietnamese provinces of Minh Hai in the south and Ha Nam Ninh in the north, it reached agreement with Vietnam on the target of 18,000 cubic metres of timber for export from now to early 1986. Of this, 6,000 cubic metres will be exported on December 12, 1986. Of this, 6,000 cubic metres (words indistinct, the 10th National Day of the Lao People's Democratic Republic.

This year's program for 50,000 cubic metres of long timber and 3,000 cubic metres of planks and more than 30,000 cubic metres of timber for export has been completed.

Many provinces and cities of Vietnam such as Hanoi, Ho Chi Minh City, Ha Nam Ninh and Quang Nam--Da Nang are stepping up preparation to set up joint ventures with Saravane, Sekong, Attapeu and Champassak provinces in Laos for timber exploitation and processing in the coming dry season.

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CSO: 4200/420

LAOS

#### BRIEFS

COOPERATION WITH SRV PROVINCE--Vientiane, December 17 (OANA-KPL)--Vietnamese Ha Nam Ninh and Lao Oudomsai Provinces have agreed to strengthen their mutually beneficial cooperation in economic and cultural development in the coming years. The economic and cultural cooperation between the two sisterly provinces was ratified by agreements of bilateral cooperation for 1986 and for 1986-90 signed in Oudomsai recently by representatives from both sides. Under these agreements, Oudomsai will supply Ha Nam Ninh with forestry and cultural products in reciprocation for Ha Nam Ninh's assistance in building six local projects of agriculture, industry, communication, irrigation, public health, and education. [Text] [Vientiane KPL in English 0855 GMT 17 Dec 85 BK] /12712

PARTY SCHOOL DELEGATION RETURNS--Vientiane, December 17 (KPL)--A delegation of the Higher Party School led by Chanmi Douangboutdi, member of the party CC, director of the school, returned here on December 14, after a week-long friendly visit to the SRV. While in Vietnam, the delegation signed an agreement on bilateral cooperation and assistance for 1986-87 between the party schools of the two countries. The delegation was met at the airport on its return here by the school's directorie [as received] and Vietnamese Ambassador, Nguyen Xuan. [Text] [Vientiane KPL in English 0906 GMT 17 Dec 85 BK] /12712

VIENTIANE, HCM CITY COOPERATION--Vientiane, December 19 (KPL)--Delegations of the trade service of Vientiane and Ho Chi Minh City have cooperated in studying the production of merchandises within the framework of the 1985-86 cooperation agreement between the two capital cities. During its stay here, the Vietnamese delegation toured a number of cooperative shops and factories in Vientiane. It arrived here on Dec 9 and is scheduled to leave today. [Text] [Vientiane KPL in English 0908 GMT 19 Dec 85 BK] /12712

SOVIET REPUBLIC SOCCER TEAM--Vientiane, December 19 (KPL)--The Ararat soccer team from Yerevan, capital of the Armenian Soviet Socialist Republic, arrived here on December 17 for a ten-day friendly visit. The team played its first match here yesterday with the soccer team of the Inter r Ministry and won 5-1. It is scheduled to play 3 more matches with the teams of the Ministry of Public Health, the Lao People's Army, and the Ministry of Education, respectively on Dec 20, 22, and 24. [Text] [Vientiane KPL in English 0910 GMT 19 Dec 85 BK] /12712

DELEGATION RETURNS FROM MOSCOW--Vientiane, December 17 (KPL)--A delegation of the Lao-Soviet Friendship Association led by its President Khamsouk Sai-Gnaseng, member of the LPRP CC, and minister to the Council of Ministers, returned here on Dec 10 after attending the celebration of the tenth anniversary of the Lao PDR in Moscow. Meeting the delegation at Wattai Airport were Mrs Khamsouk Vongvichit, vice-president of the Lao-Soviet Friendship Association, Valdemar Naoumtchik, representative of the Soviet Society for Friendship and Cultural Relations with Foreign Countries and other senior officials. [Text] [Vientiane KPL in English 0900 GMT 17 Dec 85 BK] /12712

SOVIET RED CROSS AID--Vientiane, December 18 (OANA-KPL)--The Soviet Red Cross and the Soviet-Lao Friendship Society handed over here on Friday relief to the victim of floods in Oudomsai Province through the Lao Red Cross and the Lao-Soviet Friendship Association. Present at the hand-over ceremony were Khamsouk Sayaseng, member of the party CC, president of the Lao-Soviet Friendship Association, and Vladimir Sobtchenko, Soviet ambassador here. The relief consisted of 1.9 [metric] tons of medicine and .5 [metric] tons of blankets. [Text] [Vientiane KPL in English 0922 GMT 18 Dec 85 BK] /12712

TRANSPORT WORKERS OVERFULFILL PLAN--Vientiane, December 18 (KPL)--Transport workers of the road No 9 construction company have so far overfulfilled their 1985 transportation plan by 68 [metric] tons. They have transported more than 3,600 [metric] tons of oil and equipment from Danang Port (Vietnam) to the construction site, and more than 150 tons of equipment from Sethamouak to Dongha (Vietnam). In addition, they have also transported more than 5,900 [metric] tons of freight, including oil and rice, to various provinces in the country. [Text] [Vientiane KPL in English 0924 GMT 18 Dec 85 BK] /12712

SWEDISH COOPERATION--Vientiane, December 13 (OANA-KPL)--A memorandum on cooperation in economic and social development between Laos and Sweden for 1986-88 was signed here on December 11. Signatories to the memorandum were Kham-Ouan Boupha, first deputy-minister for industry, handicraft and forestry, chairman of the Lao-Swedish Cooperation Committee, and Dr Borge Ljunggren, regional director of SIDA [expansion unknown]. Under this memorandum, the Swedish side will assist Laos in the construction of forestry, communications and transport and hydro-electric power projects. [Text] [Vientiane KPL in English 0915 GMT 13 Dec 85 BK] /12712

PHONGSALY PRICES--Vientiane, 12 Oct (KPL)--Workers at the saw-mill under the industry, handicraft and forestry department of Phongsaly province on the past 6 months have sawn 14 m<sup>3</sup> of plank worth 689,752 kip. Workers at the textile mill of the same province, in the past 9 months have produced 14,670 metres of fabrics. Worth 857,000 kip. [Text] [Vientiane NEWS BULLETIN in English 12 Oct 85 p 3] /9274

OPTICAL SHOP IN VIENTIANE--Vientiane, 10 Oct (KPL)--The Public Health Ministry has inaugurated a new optical glasses shop in Vientiane, which was set up with the cooperation of the German Democratic Republic. Present at the opening ceremony were Ponomek Dalalay, deputy-minister of public health, GDR Ambassador Dietrick Jack, and other senior Lao officials. The Lao deputy-minister, on this occasion, hailed the cooperation between the Lao PDR and the GDR. He expressed the pledge of the shop's staff members to do their utmost to serve the people. [Text] [Vientiane NEWS BULLETIN in English 10 Oct 85 p 4] /9274

MALAYSIA

BRIEFS

RELEASE OF BALING DETAINEES ASKED--Kuala Lumpur, Wednesday [11 December]--The Pan Malaysian Islamic Party [PAS] today asked the government to release persons arrested following the incident in Kampung Memali, Baling, because the government has no evidence to prosecute them. PAS President Haji Yusof Rawa said that the continued arrest of these persons in accordance with the Emergency Law means that they are being persecuted by the government. Haji Yusof added that PAS has called for the establishment of a commission to conduct a comprehensive investigation into the incident in addition to asking the government to release them. PAS will release a full report on the incident to reveal the "facts." [Text] [Kuala Lumpur BERITA HARIAN in Malay 12 Dec 85 p 2 BK] /12913

DISSOLUTION OF ICO COMMITTEE--Malaysia is expected to propose the dissolution of the Islamic Conference Organization [ICO] peace committee at an IC foreign ministers meeting in Fes, Morocco next month. Foreign Minister Tengku Ahmad Rithauddeen says that Malaysia believes the committee has failed to end the Iran-Iraq war. Malaysia regrets that Iran had set three conditions for the ICO to begin negotiations with it. Tengku Rithauddeen was presenting a working paper--entitled Malaysia's Foreign Policy--at a political course organized by UMNO [United Malays National Organization] in Kuala Lumpur this evening. Tengku Rithauddeen will lead a seven member delegation to the meeting, scheduled to take place from 6-10 January. Prime Minister Datuk Sri Dr Mahathir was earlier expected to lead an [word indistinct] group for negotiations in Tehran on 15 December. However, the plan was delayed because of Iran's conditions. Other members of the committee are Gambia, Bangladesh, Pakistan, the PLO, Senegal, and Turkey, in addition to Malaysia. The committee is chaired by Gambian President Sir Dawda Jawara. [Text] [Kuala Lumpur Domestic Service in Malay 1230 GMT 25 Dec 85 BK] /12913

CSO: 4213/59



PHILIPPINES

MINISTER WARNS OF DEBT REPAYMENT PROBLEMS

HK190111 Manila METRO MANILA TIMES in English 18 Dec 85 pp 11, 12

[Text] Economic Planning Minister Vicente Valdepenas said the country would face problems on "how to maintain (its) external payments stability" next year as a result of poor export prospects and limited financial foreign financial inflows. He said the repayment problem would be "the most critical challenge to the economy next year." The country has been up-to-date on its interest payment so far but loan principals will fall due next year unless the debt repayment moratorium is extended. The interest burden alone will eat up from 50 to 60 percent of total export earnings. Export earnings are not expected to go beyond present estimates because of the world economic recession. Valdepenas said exports would be stunted by the world economic slowdown, low world prices, and protectionism in the industrial countries.

On the other hand, foreign financial inflows, another source of funds that could be used to pay foreign debts, will be limited by poor availment of existing credit lines and the uncertainty over new funding pledges from the country's major foreign creditors. Central Bank sources said there were no new money pledges for next year since the existing lines still had to be used up and would expire in the middle of 1986.

At present, the country has been relieved of paying the principal of its loans on the strength of a debt repayment moratorium. The moratorium ends every 90 days and the present moratorium expires early next month. The sources said the government may have to seek another extension of the moratorium from its foreign creditors made up of multilateral institutions like the International Monetary Fund and 483 private foreign banks.

Valdepenas said the government would want to achieve this "external payments stability" hand with some degree of internal economic strength. To do this, he said, the government will minimize the fiscal deficit without compromising our most critical development programs in agriculture and basic services. Increased productivity out of technology and management improvements, and the provision of sufficient working capital, will be a major goal for both the public and private sectors. Additional reforms will focus on human development issues since improved productivity requires a healthy, strong, and contented labor force. He said the government had "guarded optimism" over prospects for next year because "we view 1986 as yet another crucial period in the national recovery effort."



PHILIPPINES

MINISTERS TO SEEK REVISION IN SALES TAX DECREE

HK191544 Manila PHILIPPINES DAILY EXPRESS in English 19 Dec 85 p 9

[By Rose del La Cruz]

[Text] High ranking government officials virtually criticized the recently-approved increased sales taxes and re-sale tax when they voiced the other day their apprehension over the adverse impact of the measures on the viability of agriculture, manufacturing and trading companies.

Presidential Decree No 1991 raised sales taxes on all commodities from 10 to 20 percent and imposed a three-percent resale tax, which shall take effect next month.

Planning Minister Vicente Valdepenas said in a meeting of the National Food and Agriculture Council [NFAC] Tuesday that the decree would boost the inflation rate by at least 2 percent, on top of its November rate of 6.9 percent, while Agriculture and Food Minister Salvador Escudero said the decree would kill most sectors in agriculture, particularly the thriving poultry and livestock growers, feedmillers and rice and corn millers.

The Trade and Industry Ministry, represented in the NFAC meeting by Deputy Minister Wilhelm Ortaliz, said the decree will lead to the closure of most manufacturing and trading companies in the country and would thus aggravate the employment sector.

All three ministries have agreed to come out not later than this month with a consolidated recommendation to the president to seek either the revision of the decree or its outright revocation because of its adverse impact on the economy. The decree, was part of a package of measures aimed at raising government revenues, which will in turn be used to repay mounting foreign obligations.

The decree's revision to benefit poultry raisers, livestock growers and feedmillers should be aimed at the "reclassification" of finished products such as hogs, chicken, milled rice and corn as essential commodities and should thus be slapped only a sales tax of one percent, Escudero said.

This is to align the items with veterinary medicines, processed meats and other commodities that are still classified as essential commodities in the decree.

PHILIPPINES

BANKS SEEK STATE GUARANTEE ON FUNDS FOR SUGAR COMPANY

HK220532 Manila TIMES JOURNAL in English 20 Dec 85 p 8

[By Cesar Barrioquinto]

[Text] The five commercial banks tapped to provide P240 million equity in the Philippine Sugar Marketing Corp. (Philsuma) will not make the funds available unless it is guaranteed by the national government. A source from one of the five banks said the group is unanimously against the guarantee to be provided by the state-owned Philippine Export and Foreign Guarantee Loan Fund Corp. (Philguarantee). The group wants no less than a guarantee from the Philippine government to secure the P48 million that each has committed to provide Philsuma, the source said.

The new demand from the syndicate of five banks has put into question Philsuma's ability to procure sugar this month to fill the Philippines' sugar quota in the United States. The five banks include Bank of the Philippine Islands, Far East Bank and Trust Co., Metropolitan Bank and Trust Co., United Coconut Planters Bank and Philippine Commercial Industrial Bank.

According to the source, the decision to make Philsuma fully operational now rests with the government. "The ball is now in their court," the source said, adding the government needs only to state that it is fully guaranteeing the loans to be given by the five banks for them to release the amount to Philsuma. The five banks, the source said, want to be sure that their loans would be paid as the reason for their decision to ask for a national guarantee for the loans. Earlier, the five commercial banks were reported to have asked for a "sinking fund" as a condition to the planned P240-million loan syndication. As proposed, the fund would be formed by deductions from Philsuma's earnings on sugar exports to the United States. The organization of Philsuma during the first week of the current month was rushed to meet Philippine commitments to the United States. The U.S. export market, over which Philsuma has exclusive trading authority, is worth about \$88 million annually to the new corporation.

Because the five banks tapped to provide the initial working capital did not want to do so in the absence of guarantees, the government was forced to choose Philguarantee to provide the security on the loans to be given

to Philsuma. However, the five banks now appear to be less secure about the guarantees to be provided by the state-owned agency. They want no less than the national government to provide guarantees on the loan.

Philsuma is intended to be fully owned by all sugar planters and millers within two years of its creation. This is the period that the government foresees the planters and millers will be able to repay the amount shelled out by the five banks for the corporation's initial capitalization. Philsuma has a paid-in capital of only P6.25 million out of its applied authorized capital stock of P100 million.

It was earlier reported that U.S. sugar buyers were willing to advance payments to Philsuma. Reports said that "an influential" U.S. Manila to discuss with Philsuma officials the mechanics of the financing plan. The only condition to the financing plan, reports said, is for Philsuma to secure a certificate of eligibility from the U.S. Government. The certificate is issued by the U.S. Embassy in Manila and it confirms that a specified volume of sugar production is available for export to the United States under the export quota.

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CSO: 4200/439

PHILIPPINES

MANILA PREDICTS 1.5 PERCENT ECONOMIC GROWTH FOR 1986

HK180138 Manila BUSINESS DAY in English 17 Dec 85 p 2

[Text] The Government is projecting an economic growth of 1.5 percent next year as key economic sectors, particularly agriculture, are expected to trigger a recovery.

Economic Planning Minister Vicente B. Valdepenas Jr., concurrent director-general of the National Economic and Development Authority (NEDA), also told newsmen at the Manila Overseas Press Club (MOPC) that the inflation rate would average between 10 percent and 15 percent next year, an improvement over the 20 percent to 25 percent average rate for this year.

He said the Philippine economy has gone through a lot of adjustments during the last 24 months with the economy expected to be contracted by 3.5 percent to 4 percent this year, a slight improvement from the 5.3 percent contraction in 1984.

He said the contraction of the economy was largely due to the "unusually restrictive" budgetary and the tight monetary policies adopted by the government to contain inflation.

The 1.5 percent growth projection for the country's gross national product (GNP) for next year is the same rate originally predicted by the government for this year but which, because of the sluggish performance of the various economic sectors, will not materialize.

The projection is also slightly more optimistic than private sector forecasts of an average growth rate of 1 percent for 1986. Some private economists even expect a growth rate of less than 1 percent for next year.

Valdepenas said yesterday that 1985 is another "adjustment year" for the economy as the Philippines implemented stringent economic measures intended to rein in inflation. He said the fight against inflation has resulted in the lowering of the rate of increase of the consumer price index (CPI) to only 6.9 percent last month compared to over 60 percent for the same period last year.

Valdepenas noted that despite the expected contraction of the economy this year, 1985 "was a fairly good year."

Before the year is over, he said the Philippines is expected to get the next two tranches from the standby credit facility of the International Monetary Fund (IMF) as well as the new money facility from commercial banks.

The Philippines has already availed of around \$194 million from the IMF standby credit while foreign commercial banks have released some \$400 million as part of the new money facility.

Valdepenas also said the government will proceed with the necessary structural adjustments in order to make Philippine industries more competitive "through the removal of distortions."

The Philippines has reduced to an average of 28 percent its tariff rates since the start of 1985 from a level of 48 percent previously. At the same time, the peak rate has also been cut from 100 percent to 50 percent.

As of 22 May this year, 967 products have been subjected to import liberalization. Valdepenas said an additional 12 product lines will be decontrolled by the start of next year.

He said the government has refocused its five-year plan and placed greater emphasis on agri-business, a key sector which the government believes could lead the country's economic recovery.

Valdepenas said that since 50 percent of the CPI basket of goods and services is made up of food items, it is necessary to improve food production in order to control inflation.

During the same MOPC forum, economist Bernardo Villegas of the Center for Research and Communication (CRC) said that despite the setbacks suffered by the Philippine economy, the country is not expected to face economic difficulties similar to those encountered by Nicaragua and some other Latin American countries.

He said that while the major industries are facing difficulties, the Philippines today has a thriving underground economy which has effectively kept away the specter of economic chaos.

At the same time, Villegas said the remittances of Filipino overseas workers have provided a crucial source of revenue for many Filipino families today.

A third factor, the extended family system, is expected to also defuse likely flashpoints. He said this factor is not present in other countries which have had economic turmoils as a result of stringent austerity measures imposed by the IMF.

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CSO: 4200/410



PHILIPPINES

MONEY SUPPLY DOWN 8.2 PERCENT FROM 1984

HK111435 Manila BUSINESS DAY in English 11 Dec 85 p 2

["Economic Indicator" column: "Money Supply Contracts 8.02 Percent"]

[Text] Money supply (M1) or the total currency and demand deposits held by the non-bank public, amounted to P28,999.2 million as of last September, down 8.02 percent from the P31,527.9 million registered in the same period last year, latest data from the Central Bank [CB] showed.

Since March, M1 has consistently been below its year-ago level. This was the result of the CB policy to control the growth of money and in the process curb inflation. Furthermore, the CB has to keep the reserve money level, which is the main determinant of money supply, within the limit set by the International Monetary Fund (IMF) for the country to be able to draw from its standby credit with the Fund.

Of the total M1, currency in circulation accounted for the bulk or P18,135.1 million, down from P20,256.2 million in September 1984. Currency in circulation, roughly defined as the amount of money in the people's hands, is determined by deducting from the currency issue of the CB cash held in the vaults of the Treasury and of deposit money banks.

Money Supply  
January 1984 -- September 1985  
(in million pesos)

	total	currency in circulation	pesos demand deposits
1985			
January	30,935.0	19,196.5	11,738.5
February	29,492.8	18,649.4	10,843.4
March	29,632.1	19,596.0	10,036.1
April	29,859.3	19,483.7	10,375.6
May	29,097.7	19,502.8	9,594.9
June	29,067.4	18,618.9	10,448.5
July	28,393.2	18,196.6	10,196.6
August	28,462.4	18,678.9	9,783.5
September	28,999.2	18,135.1	10,864.1



[Table continued from previous page]

.984			
January	30,673.3	17,547.9	13,125.4
February	28,997.4	16,738.0	12,259.4
March	30,176.1	17,530.0	12,646.1
April	31,726.8	18,226.1	13,500.7
May	31,470.3	18,227.9	13,242.4
June	31,500.4	18,815.3	12,685.1
July	34,949.5	22,301.7	12,647.8
August	33,241.6	21,285.2	11,956.4
September	31,627.9	20,256.2	11,271.7
October	30,721.6	19,394.9	11,326.7
November	30,796.5	19,825.1	10,971.4
December	33,633.4	21,797.9	11,835.5

Source: Central Bank

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CSO: 4200/410

PHILIPPINES

BUSINESS FAILURES DROPPING, CAPITAL WITHDRAWAL RISING

HK131615 Manila BUSINESS DAY in English 13 Dec 85 p 2

["Economic Indicator" column: "Fewer Companies Close Shop But Capital Withdrawal Surges"]

[Text] A total of 139 companies were dissolved during the January-October period this year, seven firms less than the 146 which closed shop in the same period last year, data from the Securities and Exchange Commission (SEC) showed.

The paidup capital held by these firms at the time of their dissolution amounted to P1,490.31 million, a significant 418.60 percent increase from last year's capital withdrawal of P287.37 million.

The hefty rise in capital withdrawal could be attributed to the P1,003.92 million reported in June which was due to the termination of United Coconut Oil Mills, Inc. (Unicon) that month. Unicon's paidup capital at the time of its dissolution was P1,000 million.

Of the firms which bowed out during the 10-month period, 96 were domestic stock corporations while 43 were partnerships. The capital withdrawn by the corporations reached P1,495.38 million, reflecting a huge 426.69 percent rise from last year's total of P282.02 million. Both the number and the amount of capital withdrawn by the corporations showed increases.

Meanwhile, the number of partnerships dissolved and the total capital withdrawn as a result declined. Only 43 partnerships were dissolved during the first 10 months of the year compared to 56 last year for a 23.21 percent drop. Capital withdrawn went down 7.93 percent to P4.93 million from P6.566 million last year.

On a monthly basis, October showed 13 firms folding up with a total paidup capital of P74.04 million. The number of corporations and partnerships which closed shop in October was one less than the previous month's tally but their paidup capital was bigger by 609.23 percent compared to P10.44 million in September.

Reasons cited for business closures ranged from financial/business failure to non-operation. Of the 13 firms, four encountered business reverses, two did not operate since its incorporation, while four did not report any cause. The remaining three firms dissolved to give way to corporate mergers.

Dissolutions of Existing Domestic Stock Corporations and Partnerships  
January 1984 to October 1985  
(Amount in thousand pesos)

Period	Total		Domestic Stock Corporations		Partnerships	
	Number	Amount	Number	Amount	Number	Amount
1985						
January	18	26,934	10	25,987	8	947
February	10	2,864	8	2,760	2	104
March	15	72,331	8	71,580	7	751
April	15	2,929	12	2,059	3	870
May	10	2,469	9	2,459	1	10
June	15	1,003,919	8	1,003,034	7	885
July	10	287,092	8	286,492	2	600
August	19	7,284	13	7,069	6	215
September	14	10,440	10	10,116	4	324
October	13	74,044	10	73,826	3	218
Sub-total	139	1,490,306	96	1,485,382	43	4,924
1984						
January	9	26,792	8	26,772	1	20
February	20	7,915	5	6,430	15	1,485
March	18	64,625	12	64,323*	6	302
April	9	18,420	4	17,975	5	445
May	21	24,777	14	24,116	7	661
June	21	15,194	15	14,684	6	510
July	14	57,921	12	57,791	2	130
August	10	63,324	5	62,874	5	450
September	14	3,742	8	2,612	5	1,130
October	11	4,662	7	4,447	4	215
November	17	5,517	10	4,697	7	820
December	15	64,209	8	63,811	7	398
Total	178	357,098	108	350,532	70	6,566

\*Only P14.8 million of this amount represented capital withdrawal. The rest was transferred to another company.

Source: Securities and Exchange Commission.

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CSO: 4200/410

PHILIPPINES

CONSUMER PRICE INDEX UP NEAR 7 PERCENT

HK170945 Manila BUSINESS DAY in English 16 Dec 85 p 2

["Economic Indicator" column: "Consumer Price Index up 6.9 Percent"]

[Text] Prices of goods and services, as measured by the consumer price index (CPI) continued to rise in November, registering a 6.89 percent increase over the year-ago level, statistics recently released by the National Census and Statistics Office (NCSO) indicated.

The CPI for all income households nationwide in November came to 355.5 index points, 22.9 index points higher than the 332.6 index points posted in the same month the previous year.

The upward movement in the CPI was caused primarily by the increases in prices of prime commodities which were triggered by a series of peso devaluations that started in 1983. At the start of this year, however, prices began to normalize following two rollbacks in the prices of oil and oil products.

The CPI measures the inflation rate or the average change in prices of a fixed basket of goods and services purchased by the average household. Items included in the list are food, beverages, and tobacco, clothing, housing and repair, fuel, light and water, services and miscellaneous items.

Among the commodity groups, housing and repair posted the highest increase, a 15.83 percent rise from 296.2 index points in November last year to 343.1 index points in the same month this year.

Consumer Price Index for All Income  
Households in the Philippines  
January 1984 to November 1985

Period	All items	Food, Beverages, and Tobacco
1985		
January	346.0	328.8
February	349.2	333.1
March	350.6	332.8

[table continued from previous page]

April	348.9	330.3
May	349.5	330.5
June	351.3	330.4
July	356.1	335.1
August	357.0	335.8
September	355.8	333.3
October	354.6	330.7
November	355.5	331.3

1984		
January	238.2	223.6
February	245.4	231.5
March	250.8	237.1
April	254.6	241.0
May	258.9	246.0
June	275.2	261.9
July	299.8	282.2
August	308.2	290.6
September	315.7	299.6
October	320.1	304.7
November	332.6	317.0
December	337.7	321.9

Period	Clothing	Housing, Fuel, Light & Repair	& Water	Services	Miscellaneous
1985					
January	370.4	317.6	633.4	367.5	331.9
February	375.2	320.5	538.1	363.9	334.3
March	378.7	326.7	546.3	362.7	339.0
April	381.0	329.6	536.4	357.1	343.1
May	382.5	332.0	538.3	356.9	345.1
June	386.4	332.4	545.7	365.2	346.9
July	390.5	340.9	553.6	368.5	348.7
August	393.0	342.0	554.3	368.6	350.6
September	395.0	341.9	554.4	368.8	351.2
October	396.2	342.0	557.1	369.1	351.3
November	398.1	343.1	559.6	370.6	352.1
1984					
January	245.9	235.7	350.7	269.0	255.8
February	255.4	237.5	362.5	271.7	23.4
					[figure as published]
March	264.0	238.8	369.2	274.5	243.7
April	270.8	239.5	371.8	277.4	239.9
May	276.6	240.2	376.2	278.9	256.0
June	295.3	243.3	402.9	303.7	272.7

[table continued from previous page]

July	313.4	290.6	441.2	331.4	291.0
August	327.3	292.2	462.1	334.6	301.5
September	336.4	294.2	471.6	337.0	307.6
October	342.6	294.6	478.3	340.0	312.2
November	354.4	296.2	511.6	359.6	318.8
December	361.8	296.8	524.0	365.0	323.4

Source: National Census and Statistics Office (NCSO)

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CSO: 4200/410



PHILIPPINES

OFFICE TO IMPROVE EMPLOYMENT SURVEY METHODS

HK170939 Manila BUSINESS DAY in English 16 Dec 85 p 10

[Article by Ramon R. Isberto]

[Text] Those who have despaired over the credibility of government employment statistics--which routinely report employment rates of about 95 percent--may find some interesting improvements next year. Plans are in motion to revise the employment survey now being conducted by the National Census and Statistics Office (NCSO) on a quarterly basis in ways that are expected to bring official employment data closer to the ground.

The big difference, according to Deputy Labor Minister Vincente Leogardo Jr., involves changing the reference period of the survey from the "past quarter" to the "past week."

The quarterly surveys will probably be retained. But alongside this, the NCSO will generate employment surveys using the past week as the reference period. This shift actually means a return to previous practice. Up 1976, NCSO employment surveys were conducted on a past-week basis. The revival of the old method is evidently the government's response to the increasing public cynicism regarding official employment data.

NCSO's employment data fell to a new low in credibility in the wake of the massive retrenchments and layoffs that took place as a result of the country's debt crisis. In the fourth quarter of 1983, for example, when the first wave of job cutbacks hit private industry and business, the NCSO reported that unemployment fell to its lowest point in several years--4.1 percent.

Critics of the NCSO's employment data--both within and outside the government--pointed to what they considered serious conceptual flaws in the agency's survey methods as responsible for the big gap between the official figures and reality.

The principal target of such criticism was the decision to use the past quarter as the reference period for the surveys starting November 1976. Under that new reference period, the NCSO survey considers a person at work or employed even if the person concerned worked continuously for only an hour during the past three months prior to the survey. Before this change, survey respondents were asked if they had worked during the previous week.

One of the early reactions to the new methods came from M.V.S. Rao, a regional expert on household surveys of the International Labor Organization (ILO). In this assessment made in January 1981, Rao said collecting detailed information regarding employment covering such a large period as three months is "not a feasible proposition" and the data gathered through such a method is "prima facie open to question." As a subsequent study paper prepared by a government working group on the review of labor force concepts noted, the long reference period creates the "recall problem." The group was referring to the obvious difficulties in asking a survey respondent to recall in detail what he did, as well as the activities of other members of the household, for the past three months.

Moreover, lengthening the reference period tended to increase the chances of a person ending up being considered as employed. At the same time, the survey method adopted by the NCSO since 1976 used a "somewhat restrictive" definition of unemployment. The net effect of such changes has been to overstate employment and understate unemployment.

That observation has been borne out by comparisons made between the results of surveys done on a quarterly basis and those done on a past-week basis. In one assessment paper prepared by the Ministry of Labor and Employment (MOLE), it was shown that unemployment rate—covering the years 1980 to 1984—as per surveys done on past-week basis was over 70 percent higher than the unemployment rate arrived at through past-quarter surveys.

Criticism of the past-quarter survey method began to grow as the country's economic crisis deepened starting in late 1983. The gap between perceived reality and government data began to widen.

In 1980, for example, the past-week survey yielded an 8.5 percent unemployment rate compared to a 4.9 percent rate based on the past-quarter survey. In 1984, the past-quarter survey showed unemployment to be only 6.2 percent, while survey yielded a 12.2 percent unemployment rate.

Apparently embarrassed at the awkward state of official employment data, various government agencies involved in the data collection and evaluation effort raised proposals to revise the survey method. A compromise proposal aired by the labor ministry called for using the "past month" as the reference period.

Matters came to a head when the Statistical Advisory Board (which is composed of the deputy ministers of the different agencies involved in the generation and use of official statistics) considered the different proposals. Surprisingly, the proposal to use the past-week method carried the day.

This change, said Leogardo, is expected to result in government data that provide a more realistic picture of the employment situation.

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CSO: 4200/410

PHILIPPINES

RICE OUTPUT VICTIM OF LOW-COST TECHNOLOGY

HK171031 Manila BUSINESS DAY in English 16 Dec 85 p 14

["The Nation," By Leo Deocacruz: "Low Cost Technology To Cut Rice Output."]

[Text] A rice shortage is expected to start next year due to the government's promotion of "low-cost technology" in the national rice production program, according to a study prepared by the College of Agriculture, University of the Philippines at Los Banos.

A demand supply gap of 120,000 to 184,000 metric tons by next year is possible if the government will not be prudent in adopting the low-cost rice technology, the study said.

The gap is projected to reach 4.13 to 4.665 million MT by the year 2000 assuming that the area devoted to rice production is constant at the 1984 level of 3,140,670 hectares; irrigated areas increase at 1 percent per annum while non-irrigated low land areas decrease at the rate equal to the increase; per capital consumption grows by 0.672 percent per annum from a level of 10016 kilos in 1986; and consumption of rice products is 1.5 of rice consumption.

These projections were presented by Ruben L. Villareal, dean of the college during the seventh Ministry of Agriculture and Food [MAF]-International Rice Research Institute Technology Transfer Workshop held at Los Banos last month.

High technology rice production is characterized by the use of high yielding varieties, optimum level of fertilizers and chemicals, improved cultural practices and sufficient irrigation water. Rice production becomes expensive once all these requirements are met.

However, it becomes low-cost technology if some of these requirements are replaced with local materials like azolla and rice straw for use as fertilizer.

Currently, MAF is promoting the use of these substitute fertilizers under its intensified rice production program to help the farmers reduce their production costs.

## Costs

According to Villareal, low-cost technology in rice production requires at least P5,381 per hectare when azolla is used and P5,637 when straw is used during the wet season. During the dry season the production cost increases to P5,585 for azolla and P6,165 for rice straws.

On the other hand, the high-cost technology requires P8,908 per hectare during the wet season and P9,074 during the dry season.

Under low-cost technology, more labor is required. Labor accounts for 49 percent of the total cost for azolla and 53 percent for rice straws during wet season. These become 50 percent and 48 percent, respectively during the dry season.

In contrast, labor only accounts for 34 percent for high technology during the wet season and only 33 percent for the dry season.

Although Villareal does not rule out a rice shortage under a high technology approach, the deficit is projected to be incurred only after a decade from now and relatively at a much lower rate than that of the estimated demand-supply gap under a low-cost technology program.

The study projects that under a high-cost technology, a rice demand-supply gap will only occur by 1995 at 41,000 MT and will increase further to 1.742 million metric tons by the year 2000.

Given these projections, Villareal doubts if low cost technology will be a good alternative for high cost technology.

"Can it sustain the rice requirements of the growing Filipino population?" he asked.

To fill in the supply gap caused by a low-cost technology approach, more areas need to be devoted to rice production and investment for irrigation should reach P1.3 to P2 billion in 1986 and P43.2 billion to P48.8 billion by the year 2000, he said.

Aside from the impossible huge financial appropriations required under this approach, looking for the additional hectareage will also pose a major problem.

To avert the shortage under a low-cost technology system, 44,000 to 67,000 hectares in additional land will be needed next year, growing to 1,625 million hectares by 2000, to meet the needs of the population.

An intensified research effort in improving the productivity of rice farms is one approach which could effectively help fill in the projected supply gap.

Villareal said the creation of the Philippine Rice Research Institute is very timely. It should adopt research thrusts which can sustain and further improve the gains already made in rice production, he said.

"Our national average is 2.5 MT per hectare. Yet, we h-ve outstanding farmers obtaining yields of seven to eight metric tons per hectare. Indeed, the potential is there. We only have to tap that potential," Villareal concluded.

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CSO: 4200/410



PHILIPPINES

MP'S SEEK INVESTIGATION OF FERTILIZER OVERPRICING

HK170930 Manila BUSINESS DAY in English 16 Dec 85 p 16

[Text] Eleven opposition members of parliament have called for the investigation of overpricing of fertilizer raw materials made by the government-controlled Philippine Phosphat Fertilizer Corp. (Philphos).

The MPS--Wilson P. Gamboa, Fermin Z. Caram Jr., Arthur Defensor, Marcelo Fernan, Hernando Perez, Gonzalo Puyat, Homobono Adaza, Luis Villafuerte, Igmidio L. Lad, Rafael Lazatin and Juanita Nepomuceno--cited reports by fertilizer businessmen indicating that Philphos has been importing phosphate and potash at \$8 to \$10 per ton more and sulphuric acid at \$0.15 to \$0.20 per ton more than prevailing international prices.

In a press statement, the solons said that an investigation is needed "to relieve the country's over 1.4 million farmers of very serious problems spawned by higher prices and irregularities in fertilizer imports and distribution."

Philphos, they said, was established at a cost of over \$450 million (P9 billion) on which interest charges exceeding P1.2 billion are paid yearly. They said the investigation they proposed under Batasang Pambansa [BP] Resolution 107 has gained urgency due to orders issued by President Marcos the other day for the review of the operations of the fertilizer industry to protect and better promote the interests of the country's farmers.

BP Resolution 107 calls on the Batassan Committee on Agriculture and Food to conduct "extensive public hearings to audit and account for the resources of the fertilizer industry and to establish the causes of all its problems for the purpose of formulating remedial legislation."

Earlier, opposition MPS also charged that Philphos has "gravely prejudiced millions of Filipino farmers by selling fertilizer at very much lower costs to foreigners."



However, Philphos president Miguel M. Zosa denied the charges saying Philphos was selling fertilizers to local farmers at lower than export prices.

The solons, on the other hand, pointed out that the FERTILIZER TRADE INFORMATION, monthly bulletin of the Fertilizer Advisory, Development and Information Network of Asia and the Pacific (FADINAP) debunked Zosa's claim in its March and September 1985 issues.

"As an agency jointly operated by three agencies (FAO, ESCAP and UNIDO) of the United Nations Organization, the FADINAP is the most responsible and reliable international authority on the fertilizer industry and there is no reason to doubt its records and pronouncements," they said.

They added that "for Mr Zosa, who occupies conflicting positions as Fertilizer and Pesticides Authority administrator and Philphos president, to claim otherwise could only subject him to worse suspicions deserving of extensive investigation."

The FADINAP reported that Philphos sold 120,000 tons of diammonium phosphate (18-46-0) to China in February, 31,544 tons of ammonium phosphate (16-20-0) to Thailand in July and 15,000 tons of 18-46-0 to Iran in August 1985.

The MPS pointed out that Philphos's sale of 18-46-0 to China at \$219.50 per ton, C and F bagged, was \$65.50 or P1,300 lower than the \$285 per ton charged Filipino farmers.

Philphos's sale of 31,544 tons of ammonium phosphate to Thailand at only \$162.18 per ton, C and F bagged, was \$9.82 lower than the \$172 per ton sold locally while the 15,000 tons of 18-46-0 sold to Iran at only \$188 per ton was \$87 lower than the \$175 per ton charged to local farmers.

These transactions alone, they stressed, cost Filipino farmers at least \$9.47 million or P190 million.

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CSO: 4200/410

## PHILIPPINES

### MANILA WILL CLOSE ONE OIL REFINERY

HK200630 Manila METRO MANILA TIMES in English 19 Dec 85 p 12

[Text] At least one existing oil refinery will be shut down as part of the government's rationalization program for the oil industry. This was revealed yesterday by Energy Minister and Philippine National Oil Corporation (PNOC) Chairman Geronimo Z. Velasco who said because of the shrinking energy market, the three remaining oil companies--Shell, Caltex, and Petrophil--have been forced to reduce operation.

A study will still be conducted to find out which of the existing refineries will be shut down. He refused to say which refinery was the likely candidate but according to him, the government-owned Bataan Refinery would not be it.

The PNOC, Pilipinas Shell, and Caltex Philippines recently signed an agreement to reduce the number of existing gasoline service stations. Under this agreement, two old stations would have to be closed for every station that is rebuilt. This is being done since business in the oil industry has tapered off greatly as a result of the energy conservation movement, he said. Velasco added that the three oil companies had also agreed to jointly operate six bulk plants to improve efficiency and cut costs. Each of the oil companies will be assigned specific areas to operate. The two other oil companies which will close down existing bulk plants in the assigned area would just rent the facilities of the assigned oil company. Petrophil will handle the bulk plant facilities in Culan, Capiz, and Zamboanga. Caltex will take care of the General Santos and Amian, Negros grid, while Shell will control the Legaspi, Albay, and Tagbilaran, Bohol facilities.

The energy minister said the marketing and distribution rationalization program for the oil industry was already under way. The Tara oil discovery has been re-evaluated, he said, and will start operating again by late next year, he said.

Wenceslao de la Paz, Bureau of Energy Development director, said Petro-Canada, an oil consulting firm, had completed a seismic reinterpretation and preliminary feasibility studies. De la Paz said based on the findings of the firm, the site could produce a minimum of 800,000 barrels of oil or

a maximum of 4.4 million barrels. Total cost of subsea development, he said, was \$6,156,000. He added that a 3-D seismic survey would begin on January 15, 1986 and would be completed by the end of April.

Velasco said between 1986 and 1990, no major investments would be made in the oil industry. The five-year energy plan of the Ministry of Energy, he said, would continue with its ongoing transmission line projects.

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CSO: 4200/439

PHILIPPINES

BRIEFS

**DRAFT PROGRAM ON SUGAR LAND DISTRIBUTION**--President Marcos is expected to receive within 1 week the draft of the program to distribute foreclosed sugar land to dislocated workers. The draft of the program has been discussed by officials of the Labor Ministry, the Agrarian Reform Ministry, and government financial institutions. The proposal to distribute foreclosed land was made by President Marcos last May. The Philippine National Bank [PNB] has agreed to lease an initial 1,000 hectares to dislocated workers in Negros Occidental alone. Existing laws allow banks to dispose of their acquired assets after the legal redemption period had expired. [Text] [Quezon City Maharlika Broadcasting System in English 0400 GMT 10 Dec 85 HK] /12858

**AGRICULTURE MINISTRY 1986 PLANS**--The Ministry of Agriculture and Food [MAF] has revealed its plans for 1986. The program will involve import substitution and export expansion of various agricultural products. That report from correspondent Ramon Principe: [Begin Principe recording] MAF Minister Salvador Escudero spelled out the new program, which he said will enhance the country's agricultural productivity and increase its foreign exchange earnings and reserves. Escudero said the plan calls for increased role of four agencies in the ministry. The Bureau of Plant Industry, Bureau of Fishery and Aquatic Resources, Philippine Dairy Corporation, and the Bureau of Animal Industry would be tapped to carry out the program. Elaborating on the substitute program for dairy products, of which almost 80 percent is imported, there would be accelerated production of dairy products from cattles, carabaos, and goats. The dairy program being carried out by the Philippine Dairy Corporation and the Bureau of Animal Industry are expected to produce 50 percent of the country's dairy requirements within 10 years. [end recording] [Text] [Quezon City Maharlika Broadcasting System in English 0700 GMT 16 Dec 85 HK] /12858

**RICE PURCHASING TARGET**--The Ministry of Food and Agriculture [MFA] is buying 10 million cavans of palay in 1986. It is part of MFA efforts to assure profitable prices for farmers. The target is way above the procurement record of the MFA in top year 1985, when the food agency purchased 6.7 million cavans. MFA said that it wanted to ensure adequate stock and good prices. [Text] [Quezon City Maharlika Broadcasting System in English 0400 GMT 20 Dec 85 HK] /12858

CSO: 4200/439

THAILAND

SUPREME COMMAND INFORMATION DIRECTOR PROFILED

Bangkok DAO SIAM in Thai 6 Nov 85 p 6

[DAO SIAM Club column: "Lt Gen Wichit Bunyawat, the Director of the Information Office, Supreme Command Headquarters"]

[Text] Lt Gen Wichit Bunyawat, age 54, was born on 9 June 1931. He attended the Phra Pathomwithayalai School in Nakhon Pathom, where he graduated from secondary school. In 1950 he entered the Chulachomklao Royal Military Academy. He graduated from the academy in 1955 as an artilleryman. Fellow classmates included Lt Gen Phichit Kunlawanit, Lt Gen Wichit Sukmak (these two men, who placed first in their class, were selected to study at West Point and so they attended CRMA for only 1 year) and Lt Gen Damrong Sikkhamonthon. He attended the Artillery School, where he completed the company commander's course as a member of Class 7 in May 1957 and the battalion commander's course as a member of Class 5 in 1962. In 1963-64 he attended the Army Command and General Staff College as a member of Class 42. In 1956 he took the map reconnaissance and motor vehicle courses at the Artillery School at Fort Sill, Oklahoma. He attended the Staff College at Fort Leavenworth in the United States in 1968. In 1973 he took the psyops course. He was assigned to the Artillery Center in 1955, where he served as an instructor in the weapons and firing sections. He served as the commander of the 21st Artillery Battalion and then moved up to become the chief of staff of the AAA Division. He served as an instructor at the Army Command and General Staff College and at the Institute of Army Academies. In 1974 he was appointed the assistant secretary of the army. He became army secretary in 1976. In 1982 he was appointed chief of the Civil Affairs Department, the first person to head this department. He was appointed deputy director for administration, Information Office, in 1984 and then director in 1985. He was once attached to UN Headquarters in Seoul, and he once served at the Army Operations Center. He served as the director of the Army Reporting and Intelligence Center. He served in Vietnam in 1971 and 1972. He has battlefield medals from the two countries in which he fought. He has observed military activities in both the United States and Australia.

He is very proud of having served as a royal aide-de-camp since 1982. He is now attending the National Defense College as a member of Class 28 (1985-86), ID number 1846. All his subordinates are very happy at his promotion to director of the Information Office, Office of the Supreme Commander, Supreme Command Headquarters.

He is married to Yuwapha (Bunpin) Bunyawat. They have two daughters and one son: Lt Thirawat, age 25, who graduated from CRMA, who is attached to the 21st Artillery Battalion and who is now undergoing artillery training at Fort Sill; Natthawit, age 23, who earned her bachelors' degree in economics from the University of Commerce and her Masters' degree in public relations administration from Abedin University in the United States and who now works at the main branch of the Thai Commerce Bank Ltd; and Miss Sarisini, age 16, who is in Grade 11 at the Satri Withaya School.

During his free time, he likes to play golf, tennis and jog. He likes all kinds of foods. He enjoys listening to music more than playing music. He likes to read all types of books. He wears a Buddhist amulet. During the war abroad, he came under heavy enemy artillery attack, but he managed to survive. He still has a fighter's spirit. He considers soldiers to be just like other people. He has never separated himself from the people. He wants to create between understanding between civilians, policemen and soldiers. He wants people to understand the situation and cooperate in the interests of national security. As for "rumors," he would like people to use their judgment to decide whether a rumor is true or not. He would like them to be aware and to think about the common good so that the country can survive. People should not harm the country by spreading rumors. The soldiers are the friends of the people. Soldiers are just ordinary people. They are not separate from the civilians. This reminds one of the saying "don't drag the sky down, don't split the rock and don't disrupt solidarity." We need to pay attention to this now.

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CSO: 4207/66



THAILAND

3D ARMY COMMANDER PROFILED

Bangkok DAO SIAM in Thai 6 Nov 85 pp 6, 14

[DAO SIAM Club column: "Lt Gen Ruamsak Chaiyakomin, the Commanding General of the 3d Army Area"]

[Excerpt] The new commanding general of the 3d Army Area, Lt Gen Ruamsak Chaiyakomin, who was promoted from deputy commanding general, has a crew cut and speaks forcefully even though he speaks with an accent. He is a sincere and hardworking man. He is very patriotic.

He is 59 years old. He was born on 23 April 1926. He is the third of the five children of Mr Yu and Mrs On (the Mother of the Year in 1977). His older siblings are Captain Kitti Chaiyakomin and Commander Chanraem Chaiyakomin. His younger siblings are Wanlop Chaiyakomin and Police Lt Col Surasak Chaiyakomin.

He completed secondary school in Kanchanaburi. He applied to the Army Preparatory School, classes 5 and 6, but was not admitted and so he attended the army academy as a member of Special Class 6. He was then admitted to the Army Preparatory School as a member of Class 7. At that time, classes 5-7 had to train at Pa Daeng in Phetchabun when Field Marshal Phibunsongkhram moved the capital to Phetchabun. He remained there until 1949. Fellow classmates included Lt Gen Uthai Kosilanon, Vice Admiral Kasem Mekloi, Air Vice Marshal Prayat Ditsayasarin and Police Gen Sawanna Rattanachun. He attended the National Defense College as a member of Class 23 and took special forces training in Malaya and the United States. He was assigned to the 13th Infantry Regiment in Udorn Thani as a platoon leader. Following that, he was transferred to Lopburi in 1953. During this period, he took paratroop training and was assigned to special forces duties at the Erawan Camp. He was a member of the army's first paratroop unit. He served as a paratroop instructor there for 5 years. He served with the special forces at Pa Wai for 24 years. In 1977 he was transferred to Phitsanulok, where he served as the deputy commander of the 4th Infantry Division. He was promoted to major general in 1979 and made the commander of the Chiang Mai Military District. He was transferred back to the 3d Army Area at Phitsanulok in 1981 and made the commander of the 4th Infantry Division. He was made the deputy commanding general and then the commanding general of the 3d Army Area. He is said to have a great knowledge of this region. He has deep feelings about this region and feels that anyone who tries to take even an inch of this territory must be resolutely opposed.

He loves sports and enjoys playing rugby, his favorite sport. He once competed against his older brother, who is in the navy. Even today he is still physically strong enough to play rugby. He is slim like most paratroopers.

He is married to Wilai Suwari. They have five children: Sasirat, the wife of Dr Chaowarot Ubonwirot, Sirirat, Thotsaphon, Raknikan and Ruamwilai.

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CSO: 4207/66

THAILAND

'RED-BAITING' NOTED, ARMY URGED TO BOYCOTT DEMOCRATS

Bangkok DAO SIAM in Thai 9 Oct 85 pp 1, 2

[Excerpt] At 1000 hours on 8 October at the new headquarters of the Democrat Party on Setthasiri road, Mrs Suphatra Matsadit, the spokesperson for the Democrat Party, Mr Narong Pannok, the former president of the Democrat Youth Group, and Mr Nakhon Chomphuchat, the current president of the Youth Group, made a joint statement to reporters denying any involvement with the illegal leaflets that have appeared following the rebellion of 9 September.

Mrs Suphatra Matsadit said that she would like to see this matter come to an end. No one would have thought that the Democrat Youth Group was involved in this if certain people hadn't taken this opportunity to use this as a political tool. One military officer brought her some documents to look at and told her that leaflets were being distributed in Ban Phibun Wattana, where most of the families are military families. She believes that someone wanted to create misunderstanding and generate hatred for the Democrat Party.

The spokesperson for the Democrat Party also said that when they went to the Makkasan railway settlement to make speeches, they were informed that supporters of an opposition party were spreading rumors among people in the Charurat slum area. They told the people that the Democrat Party was behind the 9 September rebellion and that it was the Democrat Party that was disseminating the leaflet attacking the military. But the Democrat Party is not involved in this. This is just a dirty political trick to generate misunderstanding and make the people hate the Democrat Party. For example:

A villager came and said that he and friends from the Huai Khwang area were forced to attend a meeting by people who claimed to be from the Internal Security Operations Command. They were told not to choose No 1 because the Democrat Party was a communist party. A godfather met with hoodlums in the various areas and told them that the "boss" had ordered them to block No 1 in every way possible. There have also been rumors that a senior military officer has ordered soldiers in the voting precincts to vote for the other party.

Mrs Suphatra said that the Democrat Party believes that most soldiers now have a more democratic spirit. She does not believe that soldiers would do such things. However, such things occur frequently during election campaigns. The purpose is to confuse people, create suspicion and generate boredom with the

election. Thus, the Democrat Party hopes that the people will consider the various rumors carefully. The Democrat Party has done enough over the years to prove itself and so the people can rest assured. The party will be fair, said Mrs Suphatra in conclusion.

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CSO: 4207/66

PEOPLE'S REPUBLIC OF KAMPUCHEA

REPORT ON AGRICULTURAL DEVELOPMENTS 16-22 DECEMBER

BK230700 [Editorial Report] Cambodian media monitored by Bangkok Bureau carried the following reports on agricultural developments in Cambodia during the reporting period 16-22 December:

National level: SPK in English at 1108 GMT on 21 December reports that this year, some 94,850 cubic meters of timber were produced in Cambodia. It also reports that afforestation projects will be carried out in the provinces of Koh Kong, Stung Treng, Kompong Cham, and Kompong Thom; and 120,000 cubic meters of timber and 10,000 cubic meters of sawn timber are expected by the end of (?this year).

Kandal Province: SPK in English at 1100 GMT on 21 December reports that, despite unfavorable weather in the last monsoon, peasants in Dangkao District of Kandal Province put 5,840 hectares under rice by transplanting and direct sowing. The peasants had also, by the end of November, planted rice on 100 of the 500 hectares earmarked for this dry season.

Kompong Cham Province: Phnom Penh Domestic Service in Cambodian at 0430 GMT on 21 December reports that up to 10 December, peasants in Tbong Khmum District of Kompong Cham Province had planted more than 400 hectares of floating rice. They have also planted more than 1,370 hectares of corn.

Kampot Province: The radio at 0430 GMT on 22 December reports that in 1985, fishermen in Kampot Province caught more than 2,100 metric tons of fish, 320 metric tons of prawns, more than 1,000 metric tons of crab, 120 metric tons of squid, and 427 metric tons of other kinds of sea food.

Kompong Speu Province: SPK in English at 1100 GMT on 21 December reports that by the end of November, peasants in Phnum Sruoch District had reaped 20 hectares of short-term rice.

Siem Reap-Oddar Meanchey Province: The radio at 0430 GMT on 20 December reports that by mid-November, peasants in this province had harvested more than 6,000 hectares of rainy season rice.

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CSO: 4212/40

PEOPLE'S REPUBLIC OF KAMPUCHEA

CHEA SIM ATTENDS MEETING OF TRADE UNIONS 24 DECEMBER

BK250917 Phnom Penh Domestic Service in Cambodian 0430 GMT 25 Dec 85

/Text/ On the morning of 24 December, at the office of the Kampuchean Federation of Trade Unions /KFTU/, the fourth meeting of the KFTU committee was solemnly held. Honoring the meeting were Comrade Chea Sim, member of the party Central Committee Political Bureau and chairman of the National Assembly and the KUFNCD National Council; Comrade Mat Ly, member of the party Central Committee Political Bureau, vice chairman of the National Assembly, and chairman of the KFTU; and Comrade Heng Teav, member of the Council of State and vice chairman of the KFTU. Also attending the meeting were the comrade secretaries and deputy secretaries of trade union committees, and representatives from central services' trade unions and from provinces and municipalities throughout the country.

Opening the meeting, Comrade Mat Ly expressed warm thanks to the meeting, which is being held at a time when the whole party, army and people are striving to contribute to expanding the victories of the 1984-1985 dry season, particularly the brilliant success of the party's Fifth Congress. The comrade stressed that from past and present experience, the trade union movement has rallied the people's forces and the working class to actively participate in the three revolutionary movements and has achieved good results. Many outstanding units and individuals have emerged in the tasks of defending and building the fatherland and defending revolutionary gains. Comrade May Ly also called on the meeting to strive to use its good experience from past work to provide lessons for future tasks aimed at advancing the fourth KFTU meeting toward success.

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PEOPLE'S REPUBLIC OF KAMPUCHEA

BRIEFS

KONG SAM-OL VISITS WOUNDED--To mark the 41st founding anniversary of the fraternal VPA, on the morning of 22 December a joint delegation of various central ministries and offices led by Comrade Kong Sam-ol, minister of agriculture, visited and presented gifts to Cambodian cadres and combatants hospitalized at 1/79 hospital. During the visit, Kong Sam-ol expressed profound gratitude to the KPRAF and the Vietnamese Army volunteers for fighting shoulder-to-shoulder to smash the French colonialists, Japanese fascists, U.S. imperialists, Beijing expansionists, and genocidal Pol Pot-Ieng Sary-Khieu Samphan clique and for liberating Cambodia on 7 January 1979. The comrade highly valued the heroic deeds of the Cambodian and Vietnamese armed forces, which fought valiantly to defend the fatherland the revolutionary achievements. He added: The people throughout the country will always remember the good service of fallen, wounded, and disabled combatants and pledge to follow the example of the KPRAF and the fraternal Vietnamese Army volunteers and to give all kinds of assistance in order to link the front with the rear. Comrade doctor (So Sokha), director of hospital 1/79, thanked the party and state for always paying attention to and providing mental and material assistance to Cambodian and Vietnamese cadres and combatants. /Text/ /Phnom Penh Domestic Service in Cambodian 0430 GMT 24 Dec 85 BK/ 12228

BATTLE REPORT FROM CHHUK DISTRICT--In 1985, the armed forces of Chhuk District in Kampot Province launched 359 sweeping operations against the enemies, clashed with them 39 times, launched 17 operations in close cooperation with the Vietnamese Army volunteers, and conducted 22 independent operations, during which they put out of action 37 enemies, wounded 16 others, and killed 31 on the spot /sentence as heard/. They also seized 12 weapons, including 1 AK-54, 2 SK's and 9 AK's, 220 rounds of assorted ammunition, 2 B-40 rockets, 1 M-79 grenade, 652 claymore mines, 1,165 kg of rice, and war materiel. The armed forces of Chhuk District are making every effort to turn themselves into genuine revolutionary forces and are cooperating closely with the people and the Vietnamese Army volunteers in the operations to smash all enemies hiding in the jungle as well as those mingling among the masses, thus successfully ensuring security for the people. /Text/ /Phnom Penh Domestic Service in Cambodian 0430 GMT 24 Dec 85 BK/ 12228

SIEM REAP-ODDAR MEANCHHEY OPERATIONS--Security forces in Siem Reap-Oddar Meanchey Province have recently closely cooperated with local state authorities and people and the Vietnamese voluntary army to launch operations to sweep up

enemies and firmly defend their locality. During the past 10 months, security forces in Siem Reap-Oddar Meanchey Province took the initiative to fight the enemy and achieved remarkable results. We killed 330 and wounded more than 490 enemy soldiers; took 58 prisoners; and uncovered 27 hidden enemy elements; and seized more than 360 weapons and much war material. Currently, the Siem Reap-Oddar Meanchey security forces, in cooperation with local state authorities and people, are heightening their spirit to hold aloft the banner of national unity and proletarian internationalist solidarity, particularly the solidarity with Vietnam, and to actively fight against the enemies until they are completely destroyed to firmly defend the localities. /Text/ /Phnom Penh Domestic Service in Cambodian 0430 GMT 25 Dec 85 BK/ 12228

BATTLE REPORT FOR KOMPONG CHHNANG--The armed forces throughout Kompong Chhnang Province in close cooperation with the Vietnamese Army volunteers have intensified attacks against the Pol Pot-Ieng Sary-Khieu Samphan enemies. As a result, in 1985, the provincial armed forces killed 115 enemies, wounded 95 others; captured 8 others; and seized 45 assorted weapons--3 B-40's, 2 B-40.5's, 1 RPD, 1 60-mm mortar, 30 Ak's, 7 pistols, and 1 (?SK)--(?54) rounds of B-40 and B-40.5 rockets, 27 mines, and some war materiel. The armed forces of Kompong Chhnang Province pledge to enhance their will to fight in the current dry season in order to totally smash the enemies, thus creating great achievements for welcoming the Fifth KPRP Congress. /Text/ /Phnom Penh Domestic Service in Cambodian 1300 GMT 23 Dec 85 BK/ 12228

STATE AFFAIRS INSPECTORATE MEETING--The state affairs inspectorate held a meeting at the Bassac theater hall on the morning of 24 December under the chairmanship of Comrade Chea Soth, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and minister of planning. Attending this meeting were the comrade ministers, deputy ministers, and the provincial and municipal state affairs inspectorate chiefs and deputy chiefs. Chea Soth made an opening speech stressing the victories scored by the Cambodian revolution in military and political fields. The comrade also noted the implementation of the inspectorate tasks carried out in accordance with the first 5-year plan of the party and state for 1986-90. The comrade further noted the need to strengthen the inspectorate work and its system from the central to local levels in order to improve this work to a greater extent. He stressed that this first meeting to sum up the outcome of state affairs inspectorate work will be significant because it will allow the inspectorate to draw conclusions concerning its good experience and any shortcomings. /Text/ /Phnom Penh Domestic Service in Cambodian 0430 GMT 24 Dec 85 BK/ 12228

MEAN SAM-AN ATTENDS WOMEN'S CONFERENCE--The women's national conference to sum up the women's movement's achievements in 1985 concluded at the office of the Kampuchean Revolutionary Women's Association on the morning of 26 December after completing its 3-day session with success. On this occasion, Mrs Mean Sam-an stressed the courage and heroism of our sisters over the past 7 years in the cause of building and defending the Cambodian motherland. She urged all conference participants to further heighten their fighting will once they have returned to their hometowns in order to carry out the tasks entrusted by the party and state. She also urged them to study and temper themselves in order to build leading apparatuses for each province and city and expand the

real forces of the revolution and national and international solidarity, especially with our Vietnamese friends, contributing to building the Cambodian nation toward socialism. /Text/ /Phnom Penh Domestic Service in Cambodian 1300 GMT 26 Dec 85 BK/ 12228

INDIAN COMMUNIST PARTY MEETING--Comrade Heng Samrin, general secretary of the KPRP Central Committee, recently sent a greetings message to the 12th Congress of the Indian Communist Party held in Calcutta. The message says, among other things: On behalf of the People's Revolutionary Party, the working class, and the people of the PRK, we would like to extend to the 12th Congress of the Indian Communist Party and, through the congress, to the Indian working class and people our closest fraternal congratulations. As chairman of the Nonaligned Movement, the Republic of India has made great contributions to safeguarding peace in Asia and the world. On this occasion, we would like to express sincere gratitude to the Indian Communist Party and people for their vigorous support for the Cambodian people in the cause of their struggle against imperialism and international reaction to build and defend the fatherland. Once again, we wish the 12th Congress of the Indian Communist Party new and greater successes in the cause of struggling for independence, unity, territorial integrity, and progress for India and for a peaceful and nuclear-free Indian Ocean, against the arms race, and for the prevention of a nuclear war and for peace in the region and the world. /Text/ /Phnom Penh Domestic Service in Cambodian 0430 GMT 25 Dec 85 BK/ 12228

DELEGATION VISITS HOSPITALIZED SRV SOLDIERS--On the 41st founding anniversary of the fraternal socialist Vietnamese people's revolutionary army, a delegation of party and state representatives led by Comrade Chan Seng, alternate member of the KPRP Central Committee Political Bureau, paid a visit to fraternal cadres and combatants of the Vietnamese volunteer army hospitalized in the cause of Cambodia's defense and reconstruction. During the conversation, on behalf of the party and state of the PRK, Comrade Chan Seng expressed deep thanks to the Vietnamese Army and people for their priceless noble service given the Cambodian people both morally and materially on the basis of a lofty spirit of the proletariat. He stressed that the good service made by the army volunteers in flesh and blood in the cause of the revolution has been inscribed forever in the hearts of the Cambodian people. In reply, a representative of the Vietnamese forces carrying out proletarian internationalist obligation on the land of Angkor thanked the party and state of the PRK for the facilities provided to the Vietnamese Army volunteers their task. He stressed that the Vietnamese volunteer army is ready to complete their internationalist duty whenever the Pol Pot-Sihanouk-Khieu Samphan clique is eliminated. The visit ended in an atmosphere of cordiality and everlasting militant solidarity. /Text/ /Phnom Penh Domestic Service in Cambodian 1200 GMT 24 Dec 85 BK/ 12228

DELEGATION RETURNS FROM PRAGUE--Phnom Penh, 18 Dec (SPK)--The delegation of the Kampuchean Revolutionary Women's Association returned to Phnom Penh after attending the General Assembly meeting of the Women's International Democratic Federation (WIDF) in Prague from 27 November to 2 December. The delegation was led by Mean Sam-an, member of the KPRP Central Committee and chairman of the association. During its stay in Prague, the Cambodian delegation also attended a meeting of Asian and African women and met with the delegations of women from the GDR, Afghanistan, Angola, Nicaragua, Poland, Bulgaria, Finland, France, and Australia. Protocols on cooperation between the Cambodian women and those of the GDR and Afghanistan were signed on this occasion. [Text] [Phnom Penh SPK in French 0407 GMT 18 Dec 85] /12640

TRADE TIES WITH SRV--Phnom Penh, 23 Dec (SPK)--For 2 years now Cambodia's import-export company KAMPEXIM has expanded its trade relations with the import-export company PHU NHUAN (Ho Chi Minh City) of Vietnam. In 1984, PHU NHUAN exported to Cambodia 3,000 metric tons of treated corn. This year, KAMPEXIM has sent about 10,000 metric tons of corn to PHU NHUAN for export abroad. KAMPEXIM of Cambodia sold to Vietnam raw agricultural products, timber, and other forest products and bought back local industrial products such as sewing machines, toothpaste, half-leather products, wool, bicycles and spare parts, porcelain and ceramic, glass articles, and cloth. In 1985, the PHU NHUAN import-export company's turnover with KAMPEXIM represented 40 percent of its foreign trade compared to 30 percent in 1984. [Text] [Phnom Penh SPK in French 1154 GMT 23 Dec 85] /12640

SPK REPORTS KPRAF ACTIONS--Phnom Penh, 26 Dec (SPK)--In November, the KPRAF in cooperation with the Vietnamese volunteers launched 102 operations against the enemy during which they put out of action 507 enemy soldiers, including 236 killed, 33 wounded, and captured, 166 forced to surrender, and 11 defectors to the revolutionary side. Moreover, the revolutionary forces seized 183 weapons, more than 1,000 rounds and shells, 3 boats, and 1 truck and destroyed 1 clandestine depot of explosives. From January to October, 4,170 persons misled by enemy propaganda reported themselves to the revolutionary authorities -- 70 percent of the returnees were persuaded either by their families or their relatives. In November alone, 326 other misled persons left the enemy ranks bringing with them 124 weapons. [Text] [Phnom Penh SPK in French 0422 GMT 26 Dec 85] /12640

CSO: 4219/18



MILITARY AFFAIRS AND PUBLIC SECURITY

POLITHURO MEMBER COMMEMORATES 10TH ANNIVERSARY OF LIBERATION

Hanoi TAP CHI QUAN DOI NHAN DAN in Vietnamese Aug 85 pp 34-40

[Summary of speech by Nguyen Van Linh, a member of the Political Bureau of the Party Central Committee and Secretary of the Ho Chi Minh City Municipal Party Committee, at the Historical Science Conference held in Military Region 7 to commemorate the 10th anniversary of the liberation of the South: "The Victory of Our Party's People's Creative People's War Line"]

[Text] This Historical Science Conference on the Ho Chi Minh Campaign is one of the very great events commemorating the 10th anniversary of the liberation of the South, the unification of our Fatherland, the defeat of the U.S. imperialists, and the disintegration of the lackeys.

In a brief period of time I would like to speak in a general way about recapitulating Vietnam's people's war, which defeated the French imperialists and then the U.S. imperialists. It was a very Vietnamese people's war. China also spoke of people's war but our people's war is very different from the people's war doctrine of Mao Xidong, and is not only different but also very creative.

I think that in recapitulating people's war it is first of all necessary to reflect our Party's people's war line. That is a line of all-round people's war by all the people which is manifested by the three offensive prongs: military, political, and military proselytizing. The military and the political are parallel to and closely combined with each other. Politics are also one of the offensive prongs and do not merely back up and support the military. Of course, it is necessary to, on the basis of a broad political movement, create strength for the military prongs, and the stronger the military prong becomes the more it furthers the development of the political and military proselytizing prongs. The political prong and the political front are also an offensive prong and an offensive front, and are not restricted to campaigning for the people to participate in the army and provide morale and material support and the other conditions.

But if there is only political struggle, as during the period between the Geneva Agreement and Resolution 15, which was a period of peaceful struggle and the use of political struggle to overthrow an imperialist aggressor and its lackey governmental apparatus, that will not do. The U.S. imperialists

differed from the French colonialists in that they not only relied on the reactionary forces of the feudalists and landlords but also created a compradore capitalist class as a basis of support. It consisted of big bourgeoisie, both Vietnamese and Chinese. Our Party analyzed it as being a gang of bureaucratic, militaristic compradore bourgeoisie. They grew rich from the war and were very close to the puppet regimes, from Diem to Thieu. The puppet government officials and high-ranking officers also became rich because of the war. For example, the wife of Ngo Dinh Nhu organized many companies, used her relatives and lackeys in doing business, built buildings, roads, and bridges to serve the war and the U.S. army, and engaged in exporting and importing or used production installations to serve the U.S. army and the lackey army. Because they had positions and authority in the regime and in the army, they themselves or their relatives and lackeys became compradore bourgeoisie. Thus it would be insufficient for us to speak only of the bourgeois regime, for that regime was a very tyrannical regime of the compradore bourgeoisie, the bureaucrats, and the militarists. However, we waged only a political struggle, especially between 1954 and Resolution 15, while Diem was taking the guillotine everywhere to kill cadres and patriots. Only later did we launch simultaneous uprisings. We waged only political struggle while they were using army operations to annihilate the "Viet Cong" and build a regime that extended from the central level down to the municipalities, provinces, districts, and villages. In some villages our party chapters were wiped out three or four times. Many of our comrades were arrested, killed, or imprisoned. In the 1955-1956 period our political movement struggled to demand the implementation of the Geneva Agreement. In this very city, on 1 May a very large number of people participated, with the slogans of increasing salaries, reducing work hours, ending unemployment, and even demanding salary increases for the puppet troops and policemen. The enemy used their entire apparatus to suppress the demonstrations but were unable to do so. Because of the slogan of demanding salary increases for the puppet troops and police, they supported us and looked the other way. But because of enemy terrorism the movement gradually subsided. After quelling the Binh Xuyen, Diem set about building his army. His army was also built along the lines of three kinds of troops: civil guards, local troops (district and provincial security forces), and the military regions, including many divisions. The police and spy apparatus was very violent. Therefore, we told one another that we were waging political struggle but should be fighting them. Clearly, we could not force such a tyrannical compradore bourgeois, bureaucratic regime and the U.S. imperialist aggressors, who were much more savage and cruel than any of the other colonialists, to enforce the Geneva Agreement and unify the Fatherland only by means of a political force struggling for peace, and it would be even more difficult to overthrow the regime.

Many ordinary citizens, not cadres, such as those in Binh Duong (formerly Thu Dau Mot), wrote more than 20 letters to the Regional Party Committee requesting that the Party launch an armed struggle. In many places party members demanded the return south of the units that had been regrouped in the North. In many places our comrades took weapons from the puppets and formed squads to fight back against the enemy. If we had only a few squads it was certain that they would annihilate us. I know of a member of the district party committee in Minh Hai who did so.



At that time comrade Le Duan was still in the South. He also discussed with us the necessity of carrying out a revolution, so we drafted a program that later became Resolution 15, on the necessity of waging a revolution. In order to overthrow the enemy regime there had to be a political movement, but at the same time there had to be armed struggle. As Marx said, to overthrow a regime of the ruling class with an army and police the armed masses have to arise to take political power by means of violence. That was in contrast to viewpoints which distorted and betrayed Marxism and the policy of using the path of peaceful parliamentarianism to overthrow a regime. For that reason, in our country only by advancing from political violence to armed violence could we overthrow a regime with an extremely reactionary and obstinate nature.

Comrade Le Duan, who was then still in Military Region 9, allowed the cadres and youths to organize "secret" military forces. Then he sent comrade Xuyen (Footnote 1) (i.e. Nguyen Huu Xuyen, now a Major General in the Vietnam People's Army) and comrade "8 Le Than" (Footnote 2) (Comrade "8 Le Thanh" is now a Major General and deputy commander of Military Region 7) to come up here and organize a number of companies and battalions. In some places platoons were organized, but their numbers were limited and the main emphasis was still on political struggle. The enemy concentrated their attacks on us in places where movements to eliminate traitors arose and attacks against the enemy were organized. Therefore, we had to disperse from platoons down to squads and even to teams. One one occasion a comrade who was being chased by the enemy held up his weapon while running and said to them, "I have a weapon but because of the Party's line I won't shoot you. Otherwise I'd kill you all." During that time I heard that many of the comrades who had been regrouped to the North also wanted to return to the south to fight, so there arose the thought, "today in the North, tonight in the South."

The directive opposing Law 10-59 was issued a few months before Resolution 15. Resolution 15 called for a revolution to overthrow the puppet regime. After we disseminated Resolution 15 our cadres' spirits immediately rose. Previously we had to be reeducated three times a year and continued to speak of political struggle and explain that our struggle was not yet strong and that we were thus not yet ready and had to struggle more strongly. When we were first told such things we were fully in agreement, but after we returned we began became confused! Therefore, in the 1957-1958 period our Regional Party Committee carried out reeducation three times a year but still achieved no results. But when Resolution 15 was explained to us and we received the directive against Law 10-59 we discussed the necessity of launching a simultaneous uprising, i.e. using the political forces of the masses.

Comrades who had to flee into the U Minh Forest from many places and had to flee into the bush from the delta now returned. At the end of 1959 we sent a message requesting the Central Committee to permit us to carry out an uprising. In the uprising we would use mass forces in the villages to disarm the civil guard and immediately organize guerrilla forces. Then we would immediately build up our forces from the platoon level up to the company level and equip them by taking weapons from the enemy. Then we would send a message north requesting the Central Committee to send cadres and weapons south to organize the three types of troops. In the process of organizing the

three types of troops and establishing bases, we thought that we could perhaps create a division of three areas: a base area, a guerrilla area, and a temporarily occupied area, as we did during the anti-French resistance war.

After we in the south sent a message north the General Secretary sent a message south which said that we had to have sufficient weapons and build up the three types of troops, and that the North would send weapons, and gradually send cadres, south. In 1963, Tu Chi (Footnote 3) (i.e. comrade Tran Van Tra) came south. But it was still essential that we maintain the political struggle of the masses and push it forward. But because our armed prong won a big victory we had additional conditions for promoting the political prong, not only in the rural areas but also in the cities. It was essential that the masses in the liberated areas continue to maintain their legal status, except for some youths who feared being conscripted if they struggle legally. The rest, from middle-aged people to old men and women, continued to maintain their legal status. When the enemy mounted sweeping operations the people waged political struggle against them, maintained their legal status, and were inseparable, so the enemy could not isolate us economically. In Eastern Nam Bo we still had enough rice to eat, in contrast to the anti-French resistance was period, when we lacked rice. During that time Tran Van Tra and Hung themselves had to bring milk cans full of rice when they went to Eastern Nam Bo. Therefore, when I went to Hanoi in 1963 to meet with Uncle Ho he asked me, "Where do you live?" I replied that I lived in Eastern Nam Bo. He said, "I hear that there's a shortage of rice in Eastern Nam Bo, so how are things with you?"

"We have enough rice to eat."

"How much do you have?"

"Thirty liters a month."

"Who eats 30 liters a month, you or the troops?"

"Dear Uncle, the troops eat it. How could I eat 30 liters a month?"

"Then that is very good."

Uncle Ho asked me how we were able to accomplish that and I explained the situation to him. That also meant that the political and armed prongs went side by side and that only on that basis could we carry out the military proselytizing work well. In some places we were able to mobilize additional money to make purchases from the enemy rear services officers.

Therefore, I think that when recapitulating the popular struggle we should recapitulate the armed prong. We had to have strong armed forces, not only the ordinary guerrilla war forces but also all three types of forces had to be strong and the main-force units had to be even stronger. The puppet military forces were very strong and later U.S. troops were brought in. Therefore, if we did not strengthen our main-force troops we would have no way to defeat them and would have no way to support the political and military prongs to become stronger. In the rural areas, in the cities, and even in

their lairs, such as this city, the political struggle prong was also very special.

When we review the anti-French resistance war we see that this city also had political struggle, such as the students' movement, the movement of representatives of all circles, of whom Nguyen Huu Tho was the open delegate, the anti-U.S. movement of 19 March, etc. Those movements were very strong. But in comparison the political struggle movement in the city during the anti-U.S. resistance war was stronger and had many very special forms. The political forces in both the rural and urban areas among all citizens participated in the political struggle, the military proselytizing struggle, and the armed struggle against the enemy. For example, the people dug sharpened stake trenches and pits and planted mine fields in the base areas and the contested areas. When the enemy came the people struggled against them. One woman with a baby in her arms lay down in front of an enemy tank to hold up an enemy offensive column so that our troops could have time to deploy to fight the enemy. Sometimes the enemy forced attempted to force the people to guide them so that they could carry out sweeping operations but the people refused because there were sharpened stake trenches and pits everywhere. The enemy troops plunged ahead and fell into pits with sharpened bamboo stakes, set off hand grenade booby traps, and were attached by our dispersed local or main-force troops. Then those women struggled politically against the enemy. When the enemy were leaving the women ran into their houses to get hand grenades to throw at them. The people participated in both political struggle and armed struggle against the enemy. The workers in this city also both participated in political struggle to defend their right and participated in political struggle. Setting fire to U.S. vehicles was the responsibility of our sappers and commandos, but they had to rely on the masses. Once there was a series of hand grenade attacks against enemy troops. All of the grenades had been brought in by a woman peddler. Nguyen Van Troi was an electrician who secretly participated in the revolutionary forces and attacked McNamara. Thus if there had been no mass bases we could not have fought the enemy, and all citizens participated in both political struggle and armed struggle.

I think that political struggle, armed struggle, and military proselytizing, the three offensive prongs, have to proceed side-by-side in all three strategic areas. That is an outstanding characteristic of Vietnamese people's war. Our party committee echelons and the military comrades from the High Command of COSVN to the military regions were expert in military matters but were unable to do anything. Thus at that time all party committee members had military knowledge, which of course was not deep, but they were able to lead the fight against the enemy. They also knew how to combine the prongs in attacking the enemy. For example, the launching of campaigns on the outside afforded an opportunity for strengthening the political movement in the cities to coordinate with campaigns in the rural areas. On when the political movements in the cities, especially Saigon, became strong we launched military campaigns to coordinate with the political prong. That combination was very flexible, close, and skilled.

From that we can see that our Party had the policy of combining the political, armed, and military proselytizing prongs, the three offensive prongs, in all

three strategic areas. We fought the enemy so that at one time or another, especially after Tet of 1968, the enemy's aggressive will would be shaken and they would have to sit down at the conference table with us. We also combined activities on the battlefield with diplomatic struggle. The reason why we could act and speak with such strength was the results we attained on the battlefield. When we were winning victories on the battlefields comrade Le Duc Tho sat in Paris "flexing muscles" with Kissinger and making him back down. When they used B-52's to attack us, before the struggle had been decided, we defeated their B-52 raids so they had to make concessions, end the bombing, and sign the Paris Agreement. That was very clear and very special.

We won victories, especially armed victories, because we had a great rear area in the North. We sent people and materiel, and via that rear area sent people, supplies, and weapons from the Soviet Union and the other socialist countries into the South. We had Uncle Ho, the General Secretary, the Political Bureau, and the Supreme Command of the movement in the South. Our skill lay in limiting the war to the south, while in the North the enemy could only wage a war of destruction by the U.S. Air Force. If we had not been able to limit the war, had the U.S. imperialists expanded the fighting to the North, that would have created many additional difficulties for us.

Those victories gradually led to the General Offensive and Uprising of the Spring of 1975. Before liberating Buon Ma Thuot we liberated Phuoc Long. That was also a special event. For the first time we liberated a whole province--Phuoc Long--and gained experience and created a basis on which to launch a surprise attack on Buon Ma Thuot and begin a lightening general offensive and uprising movement that concluded with the historic Ho Chi Minh Campaign.

In the Ho Chi Minh Campaign I noted the continuing manifestation of something often said by our Party: the military prong and mass uprisings by the people are also very important. Daily political struggle by the people is the basis on which armed struggle becomes stronger, and an increasingly strong armed prong creates a basis for stronger political struggle. But the ultimate solution is still achieved by means of a general offensive and uprising. but in wartime the mass uprising method is not the same as during the August Revolution. At that time the general uprising of the masses was carried out primarily by demonstrators shouldering primitive weapons and sharpened stakes inside and outside the cities, to liberate Saigon and the other cities. But now we were in a major war and we liberated Saigon by using tank columns and airplanes, so the masses could not demonstrate as they did during the August Revolution. In this city the masses in some places arose at the same time. In many subprecincts and neighborhoods inside and outside the city the masses, with their political and guerrilla forces, arose to take political power. In recapitulating the historic Ho Chi Minh Campaign, I think that we must reflect the very skilled, lightning-like military offensive prongs, while also reflecting the mass uprisings, for only that is in accord with the actual situation. That further demonstrates that our Party's policy was partial uprisings leading to a general offensive and uprising. All of our Party's policies were very creative.



Recently, the conclusion of the war in this city very correctly manifested the actual situation: attacking the enemy politically, militarily, and with military proselytizing in all three strategic areas. It manifested our Party's correct people's war line. At the conclusion it also manifested the Party's line of a general offensive and uprising to end the war. A major characteristic was that we liberated a city under the conditions of a major war but moved rapidly and efficiently and liberated a city that was entirely intact. That situation was due to many reasons. The puppet army had been defeated and had disintegrated, but we knew how to closely combine the armed, political, and military proselytizing prongs.

One day I was conversing with comrades Truong Chinh and Pham Van Dong and told them that a special feature was that when we were carrying out the Ho Chi Minh Campaign the bourgeoisie, especially the compradore bourgeoisie, knew that they had been defeated and thus wanted to commit sabotage, to dismantle and dispose of machinery parts or burn warehouses, etc. But the workers themselves, including those in places which had party chapters but in which all our party members had been arrested, because of the influence of the Party's leadership and because of workers whom the enemy had wanted to blacked the workers that we could not dye them red, we defended the factories, enterprises, warehouses, and raw materials. Then our cadres arrived to take over those installations. The workers discussed among themselves ways to restore production. And, especially, we liberated a city in such a manner that electricity was not interrupted for even an hour, water had not been cut off for even an hour, and only 12 hours after we liberated it the television station immediately began broadcasting our programs.

In the North, after the Geneva Agreement we entered Hanoi to take over management of the city. Here we liberated a city but liberated it intact. That was something very special, so I think that the recapitulation must clarify that matter. But first of all it must be said that the principal reason the principal reason was that our Party's line was very correct. The party organizations, the army the mass organizations and people correctly manifested the prongs of general offensive and uprising, combined with military proselytizing. The disintegration of the enemy army was also the result of military proselytizing, which we carried out over the course of many years.

Today, in a short period of time, I have expressed the foregoing opinions to the conference. My individual aspiration is that when you do your recapitulating you clearly manifest our Party's people's war line, for in reality it was implemented as I have described. Thus we must also recapitulate and enter deeply into the military prong. A lot of interesting things will be learned. Our three types of troops fought very flexibly. The other cadres here have already spoken to that point. But I recommend that we also recapitulate the political movement and military proselytizing in accordance with the Party line and the actual situation. Only thereby can we manifest Vietnam's people's war line, consisting of the military, political, and military proselytizing prongs, which fought the enemy in all three strategic areas, and ultimately concluded with the liberation of the enemy's "capital," i.e. this city, by means of a general offensive and uprising, and achieved the complete liberation of the South and the unification of the Fatherland.

INTERNATIONAL RELATIONS, TRADE, AND AID

ARMY PAPER HAILS FRIENDSHIP TIES WITH GDR

BK140535 Hanoi Domestic Service in Vietnamese 1430 GMT 5 Dec 85

[Article carried in QUAN DOI NHAN DAN: "Strengthen Friendship and Comprehensive Cooperation Between Vietnam and the GDR"--date not given]

[Text] A GDR Party and government delegation led by Comrade Werner Felfe, Politburo member and secretary of the SED Central Committee, has paid an official friendship visit to our country at the invitation of the CPV Central Committee and the SRV Council of Ministers. This is an important event that contributes to constantly consolidating and further strengthening friendship and comprehensive cooperation between Vietnam and the GDR.

Our people are elated over and proud of the outstanding achievements recorded by the fraternal GDR people in building and defending their socialist homeland. In 1985, with the successful implementation of the 5-year 1981-85 plan, the socialist economy of the GDR has strengthened qualitatively. Many key industrial branches have continued to develop at a fast rate. The GDR's national income has increased by 4 percent over last year. The agricultural sector has reaped the biggest grain crops ever recorded in the nation's history. The GDR people have taken the first successful steps in carrying out the strategic tasks of shifting production to intensive development, paying attention to the factor of productivity and quality, perfecting the system for organizing and regulating production, renovating the planning apparatus, and, at the same time, ceaselessly expanding and modernizing the entire industrial sector.

The blueprint for building a developed socialist society, which was laid out at the 10th Party Congress, is being gradually perfected; and this is a vivid manifestation of the great capabilities and creativity of the GDR people. The GDR people are emulating in productive labor with the determination to score the highest productivity and quality in all areas in preparation for the 11th SED Congress which will be convened in April next year.

Pursuing a positive foreign policy of peace, the GDR has made great contributions to the struggle for peace and disarmament in Europe and the rest of the world. The GDR's prestige and position have been constantly enhanced in the international arena. The relations of friendship and



militant solidarity between the two peoples of Vietnam and the GDR are inherently imbued with very fine traditions. Built on the firm basis of Marxism-Leninism and socialist internationalism, these relations were painstakingly fostered by the two respected and beloved leaders of our nations -- Wilhelm Pieck and Ho Chi Minh. The time-tested cooperation between the two peoples has become even closer; and it has brought about great results in the service of national construction and defense in each country, thereby making an important contribution to increasing the strength of the socialist community and to the world peoples' common struggle for peace, national independence, democracy, and social progress.

The official friendship visit to Vietnam by the fraternal GDR party and state delegation is taking place at a time when the peoples of our two countries are celebrating the 6th anniversary of the signing of the Vietnam-GDR treaty of friendship and cooperation. In the past 6 years, in continuation of the traditions of the fine existing relations, all the major clauses of the Vietnam-GDR treaty of friendship and cooperation have been vividly translated into reality in the society of each country, creating great possibilities for future development. The two parties and states of Vietnam and the GDR have, over the years, always paid attention to coordinating their actions and supporting each other in the international arena, and striven to foster bilateral cooperation in the spirit of the treaty. This has been reflected very clearly in the great results of the official friendship visits to the GDR this year by a delegation of our National Assembly led by Comrade Nguyen Huu Tho, chairman of the National Assembly, and a military delegation led by Senior General Van Tien Dung, member of the Political Bureau and minister of national defense.

Vietnam and the GDR have also paid special attention to strengthening and broadening cooperation and mutual assistance in the economic, cultural, and scientific and technological fields. Our people always remember the valuable material and spiritual support given by the fraternal party, government, and people of the GDR in support of our former cause of resistance as well as of our current endeavor to build and defend the fatherland. In our country at present, there are many economic, cultural, and public health establishments operating with aid from the GDR. For this year, the two countries have already signed an agreement on GDR loans to Vietnam under which the GDR will provide Vietnam with equipment for factories and enterprises, medicine, school supplies, and many other goods.

This official friendship visit to Vietnam by the GDR party and state delegation will certainly achieve fine results and greatly contribute to enhancing and broadening the relations of friendship and all-round cooperation between two fraternal socialist countries.

/12624

CSO: 4200/396

## INTERNATIONAL RELATIONS, TRADE, AND AID

### DEFENSE MINISTRY TEAM INSPECTS 9TH MILITARY REGION

BK150605 Hanoi Domestic Service in Vietnamese 1400 GMT 11 Dec 85

[Text] Recently, an emulation inspection team of the Ministry of National Defense led by Lieutenant General Doan Tue, deputy chief of the general staff and vice chairman of the Defense Ministry's Emulation Board, made an inspection tour of the 9th Military Region.

In the first 9 months of 1985, all units in the military region stepped up the determined-to-win emulation drive to achieve the five objectives of the great movement and concentrated efforts on carrying out two key tasks and overcoming three weaknesses. The victory of the dry season campaign early this year, together with efforts to step up political education and ideological leadership in every unit, brought about a vigorous change in determination and responsibility. Party membership was expanded on a regular basis. Party organizations correctly evaluated and classified party members. Progress was made in the maintenance and use of weapons and technical equipment. Efforts were made to achieve realistic results in organizing the material, spiritual, and cultural life of members of the military region's armed forces. Increasing production and improving living conditions became a widespread movement that contributed to stabilizing livelihood.

The inspection team also highly appreciated the military region's big success in establishing close relations with the party and people's committees of the eight Mekong River Delta provinces to create favorable conditions for provincial and district military organs to carry out local military tasks and to promote the establishment of sisterhood between the rear and front line. The movement gave rise to a number of progressive models such as S-15, S-4, S-22, and N-06 groups; the 26th Antiaircraft Unit; K-34 Depot; the Vi Thanh Cement Plant; Ben Tre Province; and some districts and villages.

The inspection team stressed: With its vast operational area, its heavy duties both on the front line and in the rear, and its distance from the central command, the 9th Military Region is faced with numerous difficulties and complexities, but it has continuously upheld the spirit of self-reliance, overcome all difficulties and hardship, and fulfilled its task satisfactorily.

/12624

CSO: 4200/396

INTERNATIONAL RELATIONS, TRADE, AND AID

BRIEFS

DELEGATION VISITS CUBA--At the invitation of the Cuban Ministry of Light Industry, a delegation of our country's Union of Handicraft Cooperatives headed by Comrade (Nguyen Sinh), deputy director of the union, paid a visit to Cuba from 28 November to 9 December. While in Cuba, the delegation held working sessions with a delegation of the Cuban Ministry of Light Industry, led by Vice Minister Rolando Fuentes. The two sides informed each other of the situation in their countries, exchanged experiences, and reviewed the cooperation between the countries in the field of small industry and handicraft development since 1981. The two sides signed the minutes for cooperation for the 1986-1990 period. Comrade Roberto Ogando, Cuban minister of light industry, received and held a working session with the Vietnamese delegation. [Text] [Hanoi Domestic Service in Vietnamese 2300 GMT 12 Dec 85 BK] 12624

FRIENDSHIP ORDER AWARDED--On the occasion of the 30th anniversary of the GDR's training of Vietnamese scientific and technical cadres, 11 December, our country's ambassador to the GDR, Tran Hoai Nam, empowered by our country's Council of Ministers, conferred friendship medals and orders on the Friedrich-Schiller University's collective in Jena, the (Weimar) Architecture and Construction College, the Central Institute for College Education Research, and five PhD professors, who have made outstanding achievements in helping train our country's scientific and technical cadres. On the same occasion, Ambassador Tran Hoai Nam, on behalf of our party and state, expressed his profound gratitude to the GDR Party, state, and people, for their valuable and efficient assistance to our people, past and present. [Text] [Hanoi Domestic Service in Vietnamese 1100 GMT 12 Dec 85 OW] 12624

DELEGATION RETURNS FROM ANGOLA--After attending the Second Congress of the Popular Movement for the Liberation of Angola and the celebration of the 10th independence anniversary of the People's Republic of Angola, the CPV delegation led by Comrade Le Quang Dao, secretary of the party Central Committee, returned to Hanoi today, 14 December. On hand to welcome the delegation were Hoang Tung, member of the party Central Committee; Vu Quang, member of the party Central Committee and head of the party Central Committee's Foreign Relations Department; Hoang Bich Son, vice foreign minister; and other comrades. [Text] [Hanoi Domestic Service in Vietnamese 1430 GMT 14 Dec 85 BK] 12624

CSO: 4200/396

## PARTY ACTIVITIES AND GOVERNMENT

### HANOI PEOPLE'S COUNCIL ISSUES RESOLUTIONS

Hanoi HANOI MOI in Vietnamese 9 Oct 85 pp 1, 4

[Resolutions of the Hanoi Municipal People's Council, Ninth Session of Third Term, 4 and 5 October 1985]

[Text] On Improving Wages, Adjusting Prices, and Strengthening Market Management in the Municipality of Hanoi

The People's Council unanimously agrees with the decree of the Council of Ministers and the resolution of the 11th Plenum of the Municipal Party Committee on improving wages, adjusting prices, and strengthening market management. Those resolutions were the initial steps in the process of eliminating the centralized, bureaucratic, subsidizing management mechanism, changing over entirely to economic accounting and socialist commerce, making planning the central concern, and developing the economy and stabilizing the people's living conditions.

The People's Council appeals for the cadres and people of the municipality to study the stands and policies of the Party and government, manifest a spirit of initiative and sense of responsibility, and be determined to strictly implement those resolutions in order to win a solid victory.

1. Immediately implement the changing over to the new salary beginning on 1 September 1985, in order to move toward implementing the principle of labor according to labor. It is necessary to implement rapidly, efficiently, and correctly the policies in the administrative-professional sphere as well as in the production-commercial sphere. In implementing piecework salaries according to the new salary system in the production-commercial sector the enterprise directors are responsible for reviewing the norms, and the upper management echelons are responsible for overseeing and examining them. In setting wages for the enterprise management cadres at a time before the enterprises have been categorized the present wages must temporarily serve as the bases. In setting the salaries of retired or disabled cadres, workers, and civil servants, their main salaries prior to their termination will temporarily serve as the basis. Social welfare supplements will be paid to families of cadres, workers, and civil servants with difficult circumstances in accordance with the stipulations of the Council of Ministers.

2. Strictly implement the decisions regarding the adjustment of material and commodity prices. Inventory materials and goods the prices of which are to be adjusted rapidly, efficiently, and accurately in order to firmly grasp materials and commodities and avoid losses.

The enterprises and commercial installations must, on the basis of the system of adjusted prices and new wages, set enterprise wholesale prices, while at the same time improving management, reorganizing production, reorganizing labor, taking positive steps to increase the utilization capacity of equipment, rapidly making production and commerce efficient, and reducing production and circulation expenses.

Due to the price changes and changes in the sources of income, the People's Committee is assigned responsibility for balancing the budgets of the municipality and the wards, districts, and cities to ensure that all activities of the municipality are normalized and develop.

3. Strengthen market management in order to maintain the new prices and price levels, expand circulation to develop socialist commerce, restrict private commerce, strictly punish the speculators, blackmarketers, and producers of ersatz goods, and prevent negative phenomena in the materials and goods distribution system.

Expanding socialist commerce in all three spheres: commerce, catering, and services. State and cooperative commerce must advance to controlling goods and money, expand and adjust the commercial and service network, refurbish the stores and shops, and improve or build a number of markets in order to master the social market.

Restricting the free market. Forbidding commerce in the various kinds of materials and goods under the unified management of the state. Retired or disabled cadres who are engaged in commerce are assisted so that they can change over to production or service. Those authorized to continue to do business and must do business in accordance with the registered papers. The small merchants must be placed in the markets and the designated areas on the streets, and be reorganized according to trades. All organizations and individuals authorized to engage in commerce must post the new prices and sell at the posted prices. Violations regarding the posting of prices, not selling in accordance with the posted prices, and inaccurate weighing will be dealt with strictly. A broad mass movement will be launched to struggle to maintain prices.

4. Promote industrial, small industry, and agricultural production and capital construction, and regard that as the foremost mission in the fourth quarter to meet the requirements posed by the improvement of wages and the adjustment of prices, in order to stabilize prices, money, and living conditions.

The improvement of wages, the adjustment of prices, and the transformation of market management are important, complicated tasks. The People's Council requests the people's committees at all levels, the sectors, the bureaus, and the mass organizations in the municipality to exercise tight, concentrated



guidance, carry out those tasks strictly and fully, and organize a deep and broad mass movement among the people.

Hanoi, 5 October 1985  
Municipal People's Council  
Ninth Session

#### On Some Systems To Encourage the Implementation of Family Planning

--On the basis of Article 9, Chapter II, of the law organizing people's councils at all levels, which stipulates stands and measures regarding population and the distribution of labor and population in the localities.

--Implementing Directive 25-HDBT, dated 12 August 1981, of the Council of Ministers and Directive 10/CT-TU, dated 27 January 1984 of the Standing Committee of the Municipal Party Committee, in order to promote the family planning campaign, reduce the rate of natural population increase in the municipality so that it can be appropriate to the municipality's economic-social development mission, gradually improve the welfare of mothers and children, and bring about happiness for all families and society as a whole.

#### Municipal People's Council Decision

##### Part I

##### Common Goals

Article 1: Couples should have only one or two children 5 years apart, and women should not give birth before age 22.

All male and female citizens (all wives of child-bearing age) must register for planned parenthood with the Family Planning Campaign Guidance Committee of the subward or village, and the organ, enterprise, or cooperative.

Article 2: Results in attaining the goals of Article 1 must be considered as an important basis for judging emulation as a norm for rewarding individuals and units.

##### Part II

##### With Regard to Individuals

Article 3: a) Women who give birth to their first child after the age of 25 (in the case of peasants, after age 23) are awarded 100 dong.

b) Men and women who have their second child 60 months after the first child are awarded 100 dong each. If, after 60 months, they have not given birth to their second child, each will be awarded 100 dong a year until the wife is 40.

c) Men or women who undergo sterilization will be awarded 200 dong if they already have two children, and will receive 7 days leave at full pay, if they are men, or 30 days leave at full pay, if they are women.



Article 4: a) Couples who have a child who is their third or more are not eligible for emulation awards at the end of that year. When giving birth they must pay a higher-than-normal hospital fee set by the Municipal People's Council.

b) If men or women in training violate one of the stipulations of Article 1 their training period will be extended by a year. If they commit another violation they will not be officially employed.

c) The allocation of housing (or land for building housing) is calculated on the basis of each family having two children.

Article 5: a) The stipulations in articles 3 and 4 are applicable to workers, civil servants, troops, members of the armed forces temporarily stationed in Hanoi.

b) The collective economic sector will carry out the above stipulations by means of money or in-kind goods of equivalent value.

c) Women not in those two categories who give birth to three or more children must in addition to paying higher hospital fees pay a birth certificate fee determined by the Municipal People's Committee.

### Part III

#### With Regard to Units

Article 6: a) Precincts with a population increase rate of 1.3 percent, and districts with a rate of 1.5 percent, will be awarded a flag by the Municipal People's Council and 5,000 dong.

b) Subwards and villages (including workers and civil servants on the local population registers) which have rates of 1.3 percent (subwards) or 1.5 percent (villages), are awarded by the Municipal People's Council and 1,000 dong.

Precincts, districts, subwards, and villages which reduce their population growth rates by an additional .1 percent will receive one-half of the above-mentioned sum.

c) Organs and enterprises which correctly implement Article 1 will be awarded 200 to 1,000 dong, depending on the number of women of child-bearing age.

Article 7: If units with bonus funds violate Article 1 they must transfer part of the bonus fund to the planned parenthood fund of the wards, districts, or cities.

a) If 1 percent of the total number of people giving birth have three or more children, between .1 and .5 percent of the bonus fund must be deducted.

b) If 5 percent of the total number of people giving birth have three or more children, between .1 and .5 percent of the bonus fund must be deducted.

c) If 5 percent of the people give birth before the stipulated time interval, between .1 and .5 of the bonus fund must be deducted.

Article 8: a) Women are guaranteed the right of birth control and sterilization. The public health units must regard that as being as important as medical examination and treatment, and must strengthen their technical measures and facilities. Public health units which apply birth control and sterilization techniques surpass the plan norm assigned by the Public Health Service by 20 percent will receive an award of 200 to 500 dong. If they attain an additional 10 percent they will be awarded 50 to 100 dong.

b) Groups and individuals outstandingly fulfilling their responsibility of guiding and propagandizing the campaign and which specialize in planned parenthood techniques will be awarded between 50 and 200 dong.

#### Part IV

#### Organizing Implementation

Article 9: a) The governmental administrations and the mass organizations--the trade union, youth, and women's organizations, the Collective Peasants' Association, the Handicraft Cooperative Federation, and the municipal, ward, district, and city Front Committees--are responsible for propagandizing and proselytizing the population policy, especially for educating to overcome the old attitudes of treasuring males and despising females, regarding large families as being as source of happiness, etc.

b) Bonuses for individuals and units are obtained from the budget.

c) It is necessary to be concerned with organizing living conditions of childless people who reach retirement age, in accordance with the state and collective social policies.

Article 10: a) All stipulations contrary to these stipulations are no longer valid.

b) All citizens and central and local economic-social units in the Hanoi area are authorized to, and obliged to, implement this resolution.

c) These regulations will be in effect from the day it is signed. The bonus payments are calculated from 1 January 1986.

d) On the basis of these stipulations, the Municipal People's committee is assigned responsibility for drafting a plan to provide detailed guidance for their implementation.

Hanoi, 5 October 1985  
Hanoi Municipal People's Council  
Ninth Session

5616  
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## ECONOMIC PLANNING, TRADE, AND FINANCE

### HANOI PARTY UNIT LEADS REFORM OF MARKET MECHANISM

Hanoi NHAN DAN in Vietnamese 9 Oct 85 pp 3, 4

[Article by Tran Tan, an Alternate Member of the Party Central Committee and Deputy Secretary of the Hanoi Municipal Party Committee: "Hanoi Municipal Party Committee Leads All-Round Renovation of Management Mechanism Resolutely and Urgently, With Solid Progress"]

[Text] On the occasion of the 31st anniversary of the liberation of Hanoi (10 October 1954 to 10 October 1985), the newspaper NHAN DAN respectfully introduces the following article on Hanoi's implementation of Resolution 8.

Resolution 8 of the Party Central Committee eliminates the centralized bureaucratic-subsidizing management and shifts over to economic accounting and socialist commerce based on planning, in which prices, salaries, and money constitute the breakthrough links and profoundly affect all economic-social activities.

#### Some Opinions Based on the Actual Situation

Implementing Resolution 8 of the Party Central Committee, the municipality of Hanoi received permission from the Secretariat to the standing committee of the Council of Ministers to change in-kind salary payments to money-only salaries, while at the same time implementing the system of uniform retail prices, beginning on a trial basis in Me Linh District on 1 July, to gain experience in order to expand the inclusion of price supplements in salaries throughout the municipality at the beginning of August 1985.

When that policy was first implemented there was some confusion and worry about the difficulties and preparations of Hanoi, especially with regard to goods and money. The actual situation affirmed that the payment of salaries entirely in money was a change in the method of paying salaries, but it was a very important practice phase that brought about real results and created conditions for the all-round implementation of Resolution 8. During the past 2 months, all preparatory tasks have been urgent and tense, and have in fact proven the correctness of selecting a trial location (Me Linh District), the time and sphere of implementation, and the number of goods (10) for which price supplements were to be made. Experience was promptly gained in controlling goods and money. The important matter was that the paying of

salaries in money and uniform retail prices have exposed rather fully the irrationality and negative consequences of the bureaucratic, subsidizing mechanism, especially in distribution and circulation. At the same time, it creates capabilities and conditions for socialist commerce to control goods and money and do a better job of managing the market. The precincts and districts have discovered hundreds of thousands of people who received incorrect grain standards (amounting to an excess of 400 tons of rice a month), and more than 200,000 who received incorrect food products standards, amounting to 2 million dong (old money) a month. Setting specific price supplementation norms for each type of goods is appropriate to the market situation in the municipality. Because it closely monitored the situation, the city has promptly dealt with a number of recently arisen problems, such as by adopting a number of policies regarding the various categories because of the changes in the retail prices of the supplied goods relevant to the allocation of grain or salaries. Those categories include retired cadres, dependents, key subward and village cadres, handicraft workers with economic relations with the state, the state purchase prices of vegetables and fish, the system of signing contracts with workers, supplementation for people working the third shift or unhealthy jobs, people benefitting from the disabled veterans and social policies. Due to flexible, dynamic guidance the municipality, the precincts, and districts, have done a better job of organizing forces in all regards. Furthermore, because of the successful winter-spring harvest in the north, it has been possible to overcome the greatest problems that had long caused much worry for the municipality of Hanoi--money and goods, especially grain and cooking fuel. The sectors at the central level, such as the ministries of Home Trade, Foreign Trade, Grain, Maritime Products, Light Industry, Agriculture, Mines and Coal, Banking, Finance, etc., positively assisted the municipality of Hanoi, and the local sectors went all-out to control sources of goods and develop sources of goods.

Therefore, there were sufficient goods to sell on a regular basis during the month, with some left over as a reserve. Under the specific conditions of the present time, the limited use of promissory notes is necessary. Therefore, the municipality overcame difficulties with regard to money by obtaining a very large sum (nearly 1 billion dong in the old currency), and by 31 August had recalled to the bank more than 90 percent of those promissory notes. The tasks of managing the market and transforming and reorganizing private merchants were more strongly promoted, which enabled state commerce to gain control and master the market with regard to some essential goods. With the resolute, close guidance of the Secretariat and Standing Committee of the Council of Ministers, the Municipal Party Committee and the Municipal People's Committee promptly and responsively a number of new problems that arose after the implementation of Resolution 8 began. The lesson that was learned was that it there must be close, all-round cooperation between the central organs and the municipality; between such local sectors as the commercial, financial, banking, grain, and public security, sectors and the sectors in the internal affairs bloc and the mass associations; and among the subwards, wards, villages, and districts, by means of educational, administrative, organizational, and economic measures. Resolution 8 created conditions for the distribution-circulation sectors to truly begin to enter into commercial accounting and take into consideration quality and effectiveness. Therefore, prices were more stable, especially during the 2 months during which in-kind



salary payments were changed over to payments entirely in money. In the course of the actual situation it became increasingly evident that the implementation of Resolution 8 was an extremely difficult, complicated process and that, especially, the tendency toward subsidizing was still strong and our economic management is still beset with many weaknesses and deficiencies. In general, although Hanoi has larger quantities of goods they are insufficient to meet the new consumption requirements and structure. With the changeover to the new mechanism, negative phenomena in the commercial sector are manifested in different forms: slipping first-class and high-quality goods to private merchants, weighing and measuring dishonestly, and selling at other than the posted prices. It is noteworthy that many key cadres in the commercial stores have not yet firmly grasped commercial viewpoints tied in closely with service viewpoints, or understood that changing over to the new mechanism it is also necessary to struggle fiercely against negative phenomena within and in society at large, be extremely vigilant, and promptly smash the enemy's multifaceted sabotage activities.

During the past 9 months the production of consumer goods in the municipality increased by 16 percent over the same period in 1984, but it has not yet met the new requirements. The municipality is encountering many difficulties, such as shortages of electricity, materials, raw materials, etc., but the important matter is that it has been slow to amend the old mechanism. Especially, the right of the directors and enterprises to take the initiative has been restricted, which has considerably impeded the implementation of Resolution 8 at the basic level.

#### Some Requirements That Have Been Posed

When studying the resolution of the Political Bureau on approving the price and salary plans and the decisions of the Council of Ministers, the Municipal Party conference agreed unanimously with the Central Committee policy of regarding the implementation of the resolution of the Eighth Plenum of the Party Central Committee as an "all-round, complete, resolute, urgent struggle process with solid steps forward."

The Municipal Party Committee unanimously approved a unified action program to ensure that implementation of the Political Bureau resolution in the municipality is harmonious and in step, and attains real results. The Municipal Party Committee guided the party organizations in concentrating their leadership on the implementation of the new salary system, from continuing to explain the resolution of the Party Central Committee and disseminate and implement the specific policies regarding salaries and prices to placing people in salary groups and grades, ensuring accuracy and fairness, and creating enthusiasm for production labor and other work. The municipality adopted the policy of recalculating production costs on the basis of production expenses accounted for in accordance with the new prices, on the basis of which to review and draft rational norms (labor and materials) and eliminate irrational, illegal expenses, in order to reflect accurately the effectiveness of production and commerce. On the basis of the new price-salary-money policy, it has reorganized the production system, and compared it with the missions set forth for industry, small industry-handicrafts, agriculture, capital construction, and the other sectors until the end of

1985, in order to bring about a clear transformation in each sector in fulfilling the annual state plan and preparing all conditions for drafting and implementing the 1986 plan.

The new prices and salaries must serve to stimulate and encourage the enterprises and factories to increase the utilization of equipment to at least 60 or 70 percent. the Municipal Planning Commission and the bases are responsible for carefully calculating and meeting requirements regarding materials, equipment, energy, etc., so that the installations can meet their norms. Enterprises which operate at less than 50 percent of equipment capacity must have specific plans to increase the rate to more than 50 percent during the next 3 months. If not, they will change sectors or trades, or change over to fulfilling construction or service missions, and enterprises will not be allowed to operate at a loss over an extended period.

The small industry-handicrafts cooperatives must recalculate salaries, resolve problems regarding capital and taxes, and create conditions with regard to materials and energy in order to strongly develop the capabilities of the cooperatives. The municipality is continuing to expand the forms of holding markets and having the stores make deposits to create conditions for the small industry- handicrafts production installations, including the family economy installations, to develop.

All enterprises and cooperatives must have plans to develop new products that are appropriate to the new requirements and purchasing power, on the basis of which to draft plans to reorganize plans. At the same time, there must be plans regarding materials and equipment, and especially plans to apply technical advances and enterprise and cooperative financial plans.

A basic requirement in the process of implementing Resolution 8, which is at the same time intended to further the development of production, is expanding socialist commerce and doing a good job of managing the market so that the state can control goods and money, expand the commercial and service network, struggle to stabilize prices, maintain real wages, and stabilize the living conditions of cadres, workers, laboring people and the armed forces.

The goal of market management is to resolutely maintain prices at the new level. State commerce must advance to mastering the market, restrict private merchants, expand the circulation of goods, expand the circulation of goods, strictly punish speculators, blackmarketers, and people who upset the market, stop by all means negative phenomena within the distribution-circulation sectors, and closely combine transformation and market management.

First of all, state commerce and the marketing cooperatives must firmly grasp the viewpoint of commerce closely combined with service, rapidly advance to controlling goods and money, expand and adjust the commercial and service networks, including investment to improve or build a number of commercial centers, stores, and shops, and improve the appearance of the retail and service locations.

The restriction of the free market is tied in closely with the developmental rate of state commerce, controlling the social market, and advancing to



reducing the number of sales clerks, reducing the types of goods sold, and reducing the incomes and profits of private merchants. Unauthorized people must be forbidden to do business. Private merchants must deal only in the declared products. The posting of prices and selling at the posted prices (both retail and service prices) must be strictly observed. In order to carry out those tasks well, we mobilized the necessary number of good-quality cadres from the organs and enterprises and supplemented them professionally, in order to manage prices, the markets, and the jointly operated organizations and reorganized the people who were authorized to do business.

Market management is the responsibility of the entire party, the entire population, the echelons, and the sectors, especially the functional sectors, but it was necessary to give rise to a broad mass movement, including consumers, to struggle to manage the market and maintain prices.

The important matter is that it was necessary to strictly punish speculators, blackmarketers, and producers of ersatz goods. The organs in the internal affairs bloc participated positively in the struggle to manage the market in accordance with their functions, and promptly tried violators.

The experiences during the past several years have clearly shown that guidance of market management must be carried out at the grassroots, in the production installations, especially in the subwards and villages, by means of comprehensive measures. The village and subward party committees have led the masses in refusing to sell goods coming under the unified management of the state to private merchants, and campaigned for the production teams and the family economy bases to sell goods to the state. All subwards and villages have organized market management forces sufficiently strong to continually inspect and oversee the posting of prices, selling at the posted prices, and the attainment of market management.

#### Some Problems Regarding the Organization of Implementation

Having gained experience during the past several months in implementing Resolution 8, in actual organization we have applied all ideological and organizational measures.

First of all, the party organizations paid attention to the ideological work and enabled everyone to fully understand the basic viewpoints of Resolution 8, combined with the timely explaining of the stands and policies regarding prices, salaries, money, and market management. The activities of party chapters and the mass organizations must enable everyone to understand clearly that the implementation of Resolution 8 is a process of all-round, complete, resolute, urgent struggle, with solid steps forward, but that we must not be conservative, hesitant, simplistic, or hasty. We held economic study classes for cadres from the municipal level down to the basic level and the production and commercial enterprises, in order to raise ideological awareness, especially with regard to changing economic thinking, develop the spirit of initiative and sense of responsibility of the sectors and echelons in order to lead and encourage the masses to do a good job of implementing the party resolution. At the same time, in order to heighten consciousness of organization and discipline in implementing the resolution, especially the

enforcement of discipline regarding prices, salaries, finances, and money, and overcome all manifestations of liberalism, arbitrariness, and lack of principle.

A strong mass movement was launched to implement Resolution 8. The mass organizations are responsible for educating the masses and encouraging them to exercise their collective mastership right in production, commerce, and service, supervised the activities of the organs and enterprises, created a seething revolutionary movement, and created motive force to persuade all categories of people to implement Resolution 8, especially in production, in order to increase productivity, quality, and effectiveness, while at the same time participating in the struggle to manage the market, maintain prices, and oppose speculation and blackmarketing.

It is necessary to strengthen the Party's control and coordinate with the inspection work of the state. The party committee members and party committee echelons at all levels must do a good job of inspecting the implementation of the resolution at all echelons and in the sectors and bases. The party committees must have specific plans to consolidate and strengthen the effectiveness of their activities, and must closely inspect the organization of the resolution's implementation. They must make good use of the trade union, youth, and women's organizations to participate in exercising supervision and combining opposition to negativism in society. It is necessary to promptly discover good models, recommend measures to correct distortions in the process of implementing the resolution, and dispose of serious violations of the policies of the party and state regarding prices, salaries, and money.

From the actual situation of the trial implementation in Me Linh District in Hanoi, and during the past several months, we have a basis on which to affirm that the cadres of the municipality of Hanoi are capable of assimilating the new management mechanism and are capable of changing over to economic accounting and socialist commerce. The important matter is to authorize and enable the basic level to take the initiative in production and commerce. On the basis of the cadre standards and the requirement of renovating the management mechanism, the municipality is examining, inspecting, and evaluating cadres, especially the leadership cadres of the economic organs and the management cadres of the production and commercial units. Matters of foremost importance are immediately bolstering the management cadres of the sectors and bases, heightening the leadership role and combativeness of the basic party organizations and the exemplary vanguard role of party members in drafting and implementing plans to renovate the management mechanism. The quality of cadres and party members must be manifested in the struggle to eliminate the centralized, bureaucratic, subsidizing mechanism, oppose conservatism and sluggishness, create and perfect a new management mechanism, and overcome the phenomena of liberalism, partialism, and partialism in all units. Cadres who in the course of the actual implementation of the Party resolution still lack a sense of responsibility and are incapable of fulfilling the responsibility assigned them must be promptly reassigned.

In drafting plans to take the initiative in training management cadres for the municipality, including professional financial, statistical, price, labor, and

salary cadres, the vocational education section and the managing bureaus cannot rely solely on the students who graduate annually from the colleges and are assigned to the municipality. On the basis of those training and supplementation plans there must be a network of municipal schools and classes in order to do a good job of fulfilling the training plans.

We emphasize the completion of a division of labor and decentralization to the wards, districts, subwards, and basic units in order to bring into play their right to take the initiative in production and commerce, and bring into play the right of financial autonomy and strengthen the sense of responsibility of the echelons, sectors, and bases in the spirit of the resolution of the Party Central Committee and the Political Bureau. The party committee initiative in redefining their functions, missions, and work methods, and on that basis rectify and reorganize production and commerce. Tasks that can be carried out immediately are eliminating the superfluous elements and transferring unnecessary people in the administrative apparatus and in production and commerce. All-out attention must be paid to supplementing, training, and making good use of, cadres, but bad, degenerate elements and people who deliberately violate the lines and policies of the Party must be resolutely expelled from the Party and state organs and mass organizations.

The departments of the Party and the mass organizations cooperate closely with the governmental network in organizing the rapid collecting of accurate information to help the party committee echelons closely monitor the situation of the sectors and echelons, promptly set forth appropriate policies and measures, correct distortions, and further the implementation of the resolution at the basic level.

An experience that must be developed is creating close cooperation between the municipality and the ministries and central organs, and alliances with the other provinces and municipalities, and in obtaining the continuous guidance of the Secretariat and the Standing Committee of the Council of Ministers, in order to promptly resolve new problems which arise in the process of implementing Resolution 8.

5616  
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ECONOMIC PLANNING, TRADE, AND FINANCE

STORE MANAGER RELATES PROBLEMS CAUSED BY NEW MANAGEMENT SYSTEM

Hanoi NHAN DAN in Vietnamese 29 Oct 85 p 2

[Article: "The Opinions of the Manager of the Number 5 Nam Bo Street General Merchandise Store: Four Problems That Must Be Resolved in Order To Do Business Better"]

[Text] The resolution of the 8th Party Plenum is bringing the operations of state-operated commerce under the new management system. This important economic sector has made initial advances but is still encountering more than a few difficulties and obstacles. NHAN DAN correspondents met with a number of store managers to learn what their experience has been and hear the concerns of the persons who serve as the housewives of society. Below are the opinions of Tran Thi Thu, the manager of the Number 5 Nam Bo Street General Merchandise Store in Hanoi.

Since the adoption of the resolution of the 6th Plenum of the 5th Party Central Committee, the persons working in commerce have established economic ties and traded goods to open diverse product sources and have, on this basis, organized the distribution network better, and sales revenues have also risen rapidly. We welcome even more the recent implementation of the resolution of the 8th Party Plenum on prices, wages and money, on dismantling bureaucratic centralism and subsidization and shifting entirely to economic accounting and socialist business practices because the new management system will create solid conditions for business to develop in the direction of more actively supporting production and the everyday lives of the people. Our store quickly restructured its labor force and opened additional mobile sales counters and counters that sell products between shifts. The personnel in the ration coupons and stamps sales department were transferred to the packaging department, the security unit and the product display department. At present, our store does business in 2,000 products, more than 130 of which are products on consignment from producers. Recently, however, we have encountered difficulties in both finding and selling goods and business revenues have declined. We realize that implementing the new management system will require a process and that the persons who work in commerce must quickly change their thinking and their method of doing business to suit the new requirements. While we are anxious to implement the new management system, "if you can't buy



a product, you can't sell it" is the situation in which we find ourselves. Why is this?

First, the corporations on the central level have been delivering goods to us in very small quantities and only supplying us with whatever goods they have on hand. They do not inform us in advance of the quantity of goods we will be receiving and this makes it impossible for the store to effectively plan the receiving and sale of goods. As regards the goods we obtain through economic ties and joint businesses, the difficulty we are experiencing is that while transportation charges have risen, they have not been offset by the new discount (even though it is 1.5 times higher than the old discount). The discount has been increased by a small amount but transportation charges have risen more than 10-fold. This has made it very difficult to show a profit. Consequently, there are goods for which we have signed contracts with provinces and municipalities in the South that we hesitate, that we do not dare to go pick up.

Secondly, a specific price should soon be set for each of the products governed by directed prices and these prices should not be changed many times within a short period. There must be a uniform price for each product for all stores within the city. In this way, prices will be more stable and we will avoid the problem of goods of the same quality being priced differently.

Thirdly, there is the problem of the cash needed to buy goods. At present, because of the adoption of the one price system, we need much cash to buy merchandise. Both collective and private production units require payment in cash so that they have money to buy supplies and materials for reproduction. Some stores request that 30 percent of the money needed to buy goods be allocated in cash, but they do not receive a full 30 percent. Completing the paper work involved in obtaining a loan from the bank requires going through many different echelons. Previously, we only had to fill out a form for the bank telling them how much money we needed. Now, we must go through the corporation and then through the bank and wait, as a result of which we sometimes miss an opportunity to buy goods. Recently, one place sold to the store a large quantity of goods, all of which we sold before we were able to borrow the money needed to make payment. Conversely, we have goods in our storehouse that cannot be sold because they have not yet been priced. We have been waiting for the prices on some goods for as much as 3 months.

Fourthly, we have merchandise but cannot sell it to consumers. Why is this? Under the new management system, anyone who has the money can buy the goods we sell at our counters. But this is not what is happening. Because of the present imbalance between supply and demand, products put on sale are immediately bought up by black marketers. Each day, persons who buy to resell are lined up in front of the store's counters to make their purchases. Many of the goods on sale never reach the consumers who need them. This is a problem that the store cannot resolve on its own. We will need the assistance of market management forces. When goods make their way into the hands of persons who buy to resell, it is difficult to avoid the problem of some dishonest personnel funneling goods to the outside and making money on the difference in prices charged. In view of this situation, we will try in the

immediate future to put a number of essential goods on sale at agencies and enterprises.

The store hopes to soon be given prices and to stabilize its price scale so that the production and circulation of goods can be carried out on a more normal basis.

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ECONOMIC PLANNING, TRADE, AND FINANCE

END OF SUBSIDIZATION BRINGS DECLINE IN PORK SALES

Hanoi NHAN DAN in Vietnamese 29 Oct 85 p 2

[Article: "Quang Ninh Province: Not Allowing Hogs To Remain Backlogged in Pens"]

[Text] Recently, a phenomenon deserving of attention occurred on the Quang Ninh Market: a decline in the marketing of pork. Previously, the province needed about 5,000 tons of pork each year, 60 percent of which was provided by the province itself through a policy that provided appropriate incentive for raising sows and producing pork within coal mining areas. However, since the dismantling of subsidization based on ration stamps and coupons, many consumers, having calculated how their money can best be spent, have adjusted their diets and do not need to buy pork. Quang Ninh's hog herd numbers as many as 125,000 hogs, with an average market weight of 70 kilograms. The backlog of hogs has not only occurred in the agricultural districts of Dong Trieu, Yen Hung, Quang Ha and Hai Ninh and the highlands along the border, but even in such densely populated cities as Uong Bi, Hon Gai and Cam Pha. Many families have hogs weighing more than 1 quintal that they cannot sell.

Quang Ninh has correctly determined the causes of this situation and sought ways to resolve the problem. The province has adopted the policy of taking a flexible approach, that is, of not centralizing the procurement of pork and allowing marketing cooperatives, even those in a number of different areas, to enter into joint businesses between state-operated commerce and collective service teams, even skilled private individuals, to make procurements, slaughter hogs and sell pork together at stipulated prices. Along with opening procurement sources, Quang Ninh has expanded its sales network in order to provide a stable supply of pork to enterprises and worksites, especially to the mines.

The measures described above have helped Quang Ninh gradually eliminate the backlog of unmarketable hogs in pens. To maintain hog production, the province has instructed agricultural cooperatives to invest from 150 to 200 kilograms of paddy per sow and has allocated from its supply of grain about 300 tons to maintain the hog herds of the cities.

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ECONOMIC PLANNING, TRADE, AND FINANCE

EIGHTH PLENUM RESOLUTION LEADS TO SLOWDOWN IN MARKETING OF HOGS

Hanoi NHAN DAN in Vietnamese 29 Oct 85 p 2

[Article by The Nghia: "A Story About Hogs in Tho Xuan: Why Are Farmers Unable To Sell Their Hogs?"]

[Text] This story about hogs begins in Tho Hai Village. When we first heard about the problem, we thought that the hogs would become sick, become emaciated and die. Because fewer and fewer small hogs have been available, the commerce sector has not been making procurements. All crossbred commercial hogs have reached a weight of 100 to 125 kilograms and there are very few hogs that weigh less than 80 kilograms. Yet, there is a rather large backlog of hogs in pens within the village. Farmers complain that the state did not purchase any hogs during the first three quarters of 1985. It was not until the start of October that the commerce sector began buying hogs. During the first 3 days, Tho Hai sold 13 tons of pork to the state but seven hogs died. Some died after they had been weighed. Some died before being weighed. A white-haired farmer in his 50's stood in front of his dead hog along the roadside and said: "I spent money on vegetables and bran for 8 months to get this hog up to 120 kilograms and now it is all gone."

When they sell hogs, farmers sign up the day before the sale and catch their hogs the next day, when they are weighed. The distance they must travel is long and the hogs have not been fed. The hogs are bound and carried in the hot sun and sometimes the straps by which they are bound even break. The number of places where procurements are made is small and a crowd of persons is always on hand to sell hogs. Some persons must wait all day. So, it is inevitable that some hogs die. But, in addition to the hog of the white-haired farmer, dozens of other hogs had to be carried back to their pens. Hogs that were taken from pens and bound up for sale had to be taken back and released in the same pens when they could not be sold. Tho Hai Village could have sold more than 10 tons of pork during that sale but the commerce sector was only able to buy a limited quantity.

The new prices being paid for agricultural products have encouraged farmers to develop hog production. However, where markets are sluggish, producers have become confused. This is a matter deserving of concern.

We visited Tho Xuan District and spent some time with the district party committee secretary. He estimated that Tho Xuan has from 500 to 600 tons of pork, live weight, backlogged in pens. We then visited the villages of Xuan Hoa, Xuan Giang, Nam Giang and Tay Ho. Farmers were busy with their winter crops but when they saw the automobile approaching, thinking that commerce personnel had come to buy their hogs, they rushed out to meet us.

As it turns out, hogs are now much more closely associated with state-operated commerce. Because, farmers previously were assigned an obligation to raise hogs; in addition to being paid for their hogs in money, farmers also traded with their agricultural cooperative for paddy. Now, many more hogs are going directly to the commerce sector and either being sold for money or traded for industrial goods, which gives producers incentive.

But it cannot be automatically concluded that the failure of the state to buy hogs promptly is the fault of the commerce sector. This sector has two forces: state-operated commerce and the marketing cooperatives. The district commerce corporation procures hogs and slaughters them for sale to consumers and delivery to the state. The marketing cooperatives are permitted to buy pork as agents and slaughter hogs for local sale and delivery to the upper level. These two economic units now approach hogs much differently than they once did. That is, no one needs to compete to buy hogs and, conversely, not all farmers want to sell their hogs. For example, in Tho Xuan nowadays, hogs can easily be purchased, provided that you have enough money and offer a fair product in trade. On the meat market, the selling prices of state-operated commerce and the marketing cooperatives are the same. The people, cadres...everyone can buy meat at any counter they please. The only difference is that every counter is now more "pleasing to the eye." The meat is fresh, both lean and fatty meat are offered for sale and customers no longer stand there shaking their heads. Consequently, the meat sells faster.

Previously, private dealers competed with the commerce sector to buy hogs. Now, because they cannot make a large profit, they are not buying hogs. Therefore, the private dealers have taken themselves from the hog market.

The two coordinated policies of implementing new prices and managing the market have begun to have an effect.

In Yuan Hoa Village, persons ask: why is there so much meat on sale on the market but so few people buying it? Many hogs are also being raised by the people but why isn't the state buying them? In the town of Tho Xuan, a densely populated place, the slaughtering of hogs is down by nearly one-half from 700 quintals to 1 ton, live weight, per day. One marketing cooperative slaughters two hogs per day and is still unable to sell all the pork it slaughters. There are even many villages in the district that sell good cuts of meat at 21 to 22 dong (new money) per kilogram and still have few buyers.

One thing is certain. With pork prices being what they are, people are not buying pork because they lack the money, but because they have many other consumer needs. In the countryside, 95 percent of farm families raise hogs but 85 percent of families are unable to eat pork. In their meals, they use fish, crabs, snails and eels as well as chickens, ducks, swans and geese they

raise. The hogs are raised primarily for sale, but also provide fertilizer for farming. Numerous household expenditures are made with a view toward income from hogs: the construction of a new home, the repayment of debts, the purchasing of clothing, of pens and paper for students, of household utensils... To the wage earner, current economic circumstances are not such that they can eat meat every day, rather, they must mainly eat fish, vegetables, beans and peanuts. Clearly, the pork market today is far different from what it was during the time of subsidization, consequently, meat sales have declined. That the state is not promptly buying pork is something which should be examined. It cannot be explained, as some persons used to maintain, as being due to a lack of cash or only having a small supply of industrial goods and materials with which to procure pork. However, hogs do not wait until there are enough goods and money to grow. With hogs still leaving pens for market each month but not being sold, producers have become less confident about raising hogs. And, when hogs cannot be sold, how can hog production be developed?

Hogs are backed up in pens not only in Tho Xuan District, but in many other districts of Thanh Hoa Province as well. Meanwhile, the quotas on the delivery of pork, live weight, to the state have not been met by the province or the districts. However, it is certainly not because of the shortage of hogs that procurements have been sluggish. A survey taken in the villages of Xuan Hoa, Tho Hai, Nam Giang and Xuan Giang in Tho Xuan District shows that there are more hogs on hand in 1985 than in 1984. Conversely, the number of hogs leaving pens for sale has decreased by one-third compared to last year. Many persons are concerned about hogs in 1985 and subsequent years. If it drags on, the slowdown in the marketing of hogs will have a large effect upon production. The rate at which capital is turned over in hog production will decrease. The meat hog production cycle will become longer, thus affecting investments in feed and future breeding stock, and even the income sources of families will be disrupted. Instead of encouraging producers to raise more hogs and increase the weight per hog, the slowdown in procurements will cause hog herds to gradually decrease in size and the outcome will be a scarcity of hogs.

The secretary of the Tho Xuan District Party Committee stated: at the prices that the state pays for hogs to be exported, Tho Xuan will no doubt export 250 to 300 tons of pork each year. This is over the long range. Because, in order for hogs to be included in exports, a policy must be adopted that encourages producers and provides the district with a profit. At present, however, in order to prevent the hog herd from declining and steadily increase the number of hogs being raised as well as their weight, strengthening the management system within agricultural production is a necessity. That is, farmers used to be assigned an obligation. When they sold their hogs, they received money or paddy in trade with the cooperative. This relationship was quite close. Now, farmers sell their hogs mainly for money and goods received in trade from the commerce sector. Therefore, cooperatives have relaxed their management of the hog herds of farmers. The implementation of product contracts for rice combined with hogs has become a pressing necessity. Farmers will never stop raising hogs altogether because, in addition to the income earned in money, paddy and goods, hogs also provide fertilizer. However, when economic accounting does not closely tie hog production to rice production,



farmers will not attach as much importance to hogs as they do to crop production. This is a contradiction that has arisen in the course of implementing the resolution of the 8th Party Plenum. From the province's perspective, it should tear down the fence that is the practice of "closing rivers to traffic and banning markets" in order to encourage marketing cooperatives. Agricultural cooperatives and the districts, in addition to insuring that the assigned plan is met, must seek ways to include hogs in economic ties and trade outside the province and insure that producers earn a profit. However, it is important that the commerce sector improve its procurement practices so that socialist commerce is there to buy hogs whenever and wherever farmers need to sell them.

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## HEAVY INDUSTRY AND CONSTRUCTION

### EDITORIAL CALLS FOR INCREASED LOCAL COAL PRODUCTION

Hanoi NHAN DAN in Vietnamese 29 Oct 85 pp 1, 4

[Editorial: "Mining Local Coal"]

[Text] In our country, in addition to the large coal mines, there are more than 200 small mines that contain many different types of coal, such as bituminous coal, lignite, high-flame coal, anthracite coal and peat, including many mines that have rather large reserves. These small mines are evenly distributed throughout the provinces of the lowlands, midlands and mountains. So far this year, the mines that are in operation have supplied localities with hundreds of thousands of tons of coal, thus helping to overcome a number of difficulties in production and meet household fuel needs within the locality.

The provinces of Ha Son Binh, Hoang Lien Son, Bac Thai, Ha Nam Ninh, Quang Nam-Da Nang, Long An, Binh Tri Thien and others have been making efforts to accelerate the operations of their small coal mines. Recently, a new form of organization has emerged, the establishment of economic ties in the mining of local coal. For example, Hanoi has sent labor, equipment and capital to Bac Thai to build and operate the Quang Vinh Coal Mine. Meanwhile, some localities are relying upon coal supplied by the central level and have yet to take positive steps to mine the coal available within the locality. The management of coal mining is still marked by many shortcomings, by doing that which is easy and not doing that which is difficult, by only mining rich veins, by a failure to correctly comply with mining technical standards, by little attention to labor safety and by a lack of concern for the interests of mine workers. The production costs of a ton of local coal is still high. Some central sectors are not truly helping the localities with technology, equipment and capital so that they can extract coal from small mines. The resolution of the 5th Party Congress pointed out: in conjunction with increasing the output and quality of coal at large mines, we must make every effort to extract anthracite coal, bituminous coal and peat from local mines. This has become a matter of even greater urgency and importance to localities in view of the fact that the difficulties being encountered in the mining and transportation of coal at the large coal mines of the central level have yet to be correct.

Local coal is a valuable, diverse resource that can be mined quickly and inexpensively. Shipping to localities 1 ton of coal supplied by the central level involves high costs and requires many means of transportation; however, mining local coal saves energy, saves means of transportation and, at the same time, helps to distribute labor locally and provides jobs for more than a few workers.

Increasing the mining of local coal is a pressing requirement, the aim of which is to supplement national energy sources and effectively support the needs of production and everyday life within each locality and area. If each locality provides for some of its own coal, the destruction of the forests will be reduced, hundreds of millions of dong in transportation costs and millions of liters of gasoline and oil will be saved and fuel needs will be quickly met.

If each locality, as well as many localities within the same area join together through economic ties, displays initiative and implements the guidelines "the central level and the locality working together to produce coal, the locality and the army working together to produce coal, the state and the people working together to produce coal," we will surely obtain a significant quantity of additional coal. Appropriate investments must be made in basic investigations and plans must be adopted for making use of manual labor combined with semi-mechanized labor or small machines so that coal can be mined and processed with the highest possible productivity, quality and efficiency. Importance must be attached to restoring those mines at which mining operations have stopped but which still hold economic reserves.

By displaying a spirit of dynamism and creativity and under the new management mechanism based on the guidelines of the resolution of the 8th Plenum, the localities can further accelerate the extraction of coal from small mines and support the local economy and standard of living.

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## HEAVY INDUSTRY AND CONSTRUCTION

### ADVANCES AT NUI HONG COAL MINE REPORTED

Hanoi NHAN DAN in Vietnamese 29 Oct 85 p 1

[Article: "Nui Hong Coal Mine Reorganizes Production, Raises Coal Mining Productivity"]

[Text] The Nui Hong Coal Mine (Bac Thai Province) of Coal Corporation Number 3 is a small mine. According to its phase one design, this mine produces 100,000 tons of coal annually for supply to the Thai Nguyen Hydroelectric Power Plant and to meet building material production needs, agricultural product processing needs and household fuel needs within the area. The Nui Hong mine enterprise has displayed initiative in its production and business and gradually restructured its production in a manner consistent with a small-scale coal mine. As a result, it has completed 95 percent of its washed coal plan quota for the entire year in less than 10 months, which represents an increase of 35 percent compared to the same period of time last year. Many efforts have been made to market coal, especially during the 3rd quarter, when nearly 25,000 tons of coal were supplied to the provinces of Vinh Phu, Ha Tuyen and Hoang Lien Son and some household fuel was supplied to Hanoi.

In the process of restructuring its production, the mine has attached importance to strengthening its force of shovel operators and truck drivers and has focused efforts on supporting the forces directly engaged in the mining of coal, transferring nearly 5 percent of its indirect workforce to coal mining sites and mining vehicle and equipment repair shops. At present, the enterprise is revising labor quotas and implementing the payment of wages that are closely tied to the final results of production, namely, the payment of a unit price per cubic meter of overburden transported to dumping yards and per ton of washed coal marketed. The power shovel sections of which emulation warrior Nguyen Quang Hao is chief always exceed their productivity quota by 30 to 35 percent. Many trucks are being operated with high productivity. Typical among these is the truck of Trieu Van Gioi (a member of the Nung minority), which is in operation more than any other truck, is kept clean and in good condition and exceeds the average transportation productivity norm of the transportation unit by 20 to 28 percent.

The Nui Hong mine has also expanded its economic ties with Dai Tu District in order to overcome difficulties with grain and food products and expanded its coordination with the Bac Thai Mining Machine Works and the Son Duong Tin Mine

of the Ferrous Metals Smelting Combine (the Ministry of Engineering and Metals) in the production and exchange of materials and spare parts and in gaining experience in the repair of vehicles and equipment.

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## LABOR

### HANOI TRADE UNION OFFICIAL INTERVIEWED

Hanoi HANOI MOI in Vietnamese 9 Oct 85 pp 1, 4

[Interview of Pham Loi, member of the Standing Committee of the Municipal Party Committee and Secretary of the Municipal Trade Union Federation: "What Is the Hanoi Trade Union Federation Doing?"; date and place not provided]

[Text] Question: Tell us about the activities of the Hanoi Trade Union Federation to implement the new stands and policies of the Party and state on prices, wages, and money.

Answer: Clearly realizing the role and responsibility of the trade union organization in implementing the stands and policies of the stands and policies of the Party and state regarding prices, wages, and money, the Hanoi Trade Union Federation has drafted a specific action program for the period from now to the end of 1985 and regards it as the central mission of the municipal trade union organization.

The contents of the action program include the following tasks:

First, organizing the supplementation of key cadres of the basic, ward, district, and sector trade unions regarding the basic viewpoints and contents of the policies regarding prices and wages, the social subsidy systems, and the responsibility and tasks of the trade union echelons, especially the basic trade union chapters. The trade union federation carried out that task urgently, from the preparation of materials and reporters to organizing supplementation.

Under the guidance of the Trade Union Federation, the ward, district, and basic trade union chapters have drafted specific plans to campaign for the workers and civil servants to implement price-wage policies and social subsidies. The basic trade union chapters have cultivated cadres from the trade union team level on up and grasped the present wage situation and the economic circumstances and living conditions of the families of workers and civil servants, especially the families with many dependents, in order to set wages and implement the social subsidy systems.

Second, carrying out a step in advance the tasks of grasping and analyzing the situation, recalculating production costs, and setting wages on a trial basis



for some categories of cadres, workers, and civil servants in four units: the bicycle enterprise federation, the Food Products Corporation, the 8-3 Textile Mill, and Machine Tools Manufacturing Factory No 1, in order to gain experience for the other bases.

Third, positively participating in market management. The sector trade unions, along with the governmental administrations, are concerned with expanding the commercial network to serve the lives of the people and stepping up the oversight and inspection activities of the workers, and have begun to obtain results in preventing negative phenomena in distribution and circulation.

Fourth, by means of the actual activities of the basic-level trade union chapters we have collected the problems and recommendations of the trade union members, workers, and civil servants, promptly relayed them to the Confederation of Trade Unions and the Municipal Party Committee, and recommended that the echelons and sectors of the municipality take steps to resolve those problems.

Question: In the action programs of the Trade Union Federation you stress the role and responsibility of the basic trade union chapters. What do the principal activities of the basic trade union chapters include?

Answer: The basic trade union chapters must perform the following tasks:

--Doing a good job of propagandizing the lines and policies of the Party and state, and grasp, and do a good job of resolving problems regarding, the thought of workers and civil servants in the unit.

--Participating in setting new wages that are in accord with the policy and the categories, and campaigning for workers and civil servants to implement the systems of piecework wages, wages based on output, and wages tied in with productivity, quality, and effectiveness on the basis of reorganizing production and rationally redistributing labor.

--Along with the directors and heads of the units, doing a good job of implementing the systems and policies regarding social subsidies in accordance with the policies and categories.

--Arranging for workers and civil servants to participate in recalculating production costs, make full, accurate, and prompt initial accounting entries, participate in drafting and implementing rational labor and materials norms, and discuss ways to lower production costs, improve product quality, and economize in production. They must pay special attention to applying scientific-technical advances to production and commerce.

--Encouraging workers and civil servants to struggle against negative phenomena in production, in commerce, and in society at large, and to participate positively in market management.

--By means of those activities, promoting the building of strong basic trade union chapters.

Question: Thus the activity contents of trade unions, especially at the basic level, are very rich. But we know that there are very few cadres who specialize in the trade union work, so what will be done to fulfill those missions well?

Answer: You are correct with regard to the trade union cadre situation. But by trade union methods, i.e. by the methods of mobilizing the masses, organizing them to act, expanding the activities of the mass sections of the trade unions, and making wide use of those tasks in correct accordance with the above-mentioned objectives and contents, it is certain that the trade unions will achieve real results. In basic-level trade union chapters, and some ward and district trade union chapters, have practical activities which have been recognized by the party committee and governmental echelons and have the confidence of the workers and civil servants. The operational contents and modes of the trade unions are to encourage the workers and civil servants to carry out those contents and modes and work with the state organs, while fulfilling their function of inspecting and overseeing the activities of the state organs, according to the functions and missions of the trade unions. The strength of the trade union organization is the strength of groups of workers who are rich in creative spirit and are always closely attached to the workers.

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17 January 1986

## LABOR

## UNSKILLED WORKFORCE CALLS FOR MORE ON-THE-JOB TRAINING

Hanoi NHAN DAN in Vietnamese 29 Oct 85 p 3

[Article by Nguyen Hai Minh, the Ministry of Labor: "Providing Universal Trade Training and Jobs to Youths in the Cities"]

[Text] Between now and the end of this century, due to the 3 percent rate of population growth in previous years, a rather large number of youths will be reaching work age each year, the major of whom will be graduates of general middle schools and basic middle schools who are unable to continue their education. Only about 20 percent of the total number of youths will be accepted into colleges, vocational middle schools and formal trade training schools of the state. The remaining 80 percent of this labor force will be unskilled, unemployed and concentrated mainly in the municipalities, cities and towns. Consequently, providing jobs for youths is a pressing problem of all society.

In order to provide the laborer with a stable job, a stable income and a decent standard of living, besides the various measures involved in providing jobs, providing training first is a matter of key importance. Facts have shown that 80 percent of the youths who receive trade training find stable employment.

In the municipalities, cities and towns, places where the population is dense, the problems of providing trade training and jobs for youths are even more pressing. Some places have adopted the policy of providing universal trade training to all unskilled laborers between the ages of 16 and 35. Ho Chi Minh City has issued a directive on providing universal trade training to youths. The municipality of Haiphong has issued a decision on providing trade training to students upon the completion of their basic or middle general school education if they are unable to continue their education. Other localities have adopted different forms of training, such as work-study training, specialized trade training, apprenticeships and so forth, that are suited to the specific circumstances and conditions of each locality and based on the principle of the state, the basic unit and the people contributing to training together.

Each year, through non-formal types of training, municipalities and cities have provided trade training and jobs to hundreds of thousands of youths,

which is an effort that has been very much appreciated by the local people. Ho Chi Minh City, through the "work-study" form of training, has been annually providing training and jobs to 10,000 discharged troops and assault youths and hundreds of thousands of middle school graduates unable to continue their education.

The matter of providing universal trade training to youths is still something quite new. We still face certain limitations in this area and have yet to evaluate or review this effort. However, it is an approach that affords basic advantages, an approach from which the following lessons and experiences can be drawn:

--Through the various kinds of non-formal training, localities have been able to make full use of the space available at their units, forego the expense of building formal schools and classes and have not had to expand their staffs (practically all cadres and instructors are civil servants), which is an approach consistent with our current economic circumstances and conditions. The state must invest roughly 40,000 dong (old money) to train one technical worker at a formal school. However, under this form of training, the cost is only about 2,000 to 2,500 dong per person and the quality of the students upon completion of their training is that of a grade 2/7 or 3/7 worker.

The Haiphong Municipal Labor Service has organized a "work-study" training class at the Haiphong Railroad Car Works, thereby not only saving the state more than 4 million dong (old bank money) in training costs compared to the cost of formal trade training, but also providing trainees with an income of 200 dong per month based on the value of the products produced.

--Universal trade training for youths insures a timely supply of technical labor, is consistent with the requirements of the diversification and continuous development of the production of basic units and provides a reserve corps of technical workers, thereby meeting the emergency needs of basic production units, of the sector that formal training cannot meet. Precisely because of these advantages, a very high percentage of trainees is placed in jobs upon graduation. In the 24th Subward of Tan Binh District (Ho Chi Minh City), 50 to 70 youths are provided with trade training each year. All graduates of this training have been provided with a good job and are earning a stable income. During the past 2 years, Truc Bach Subward (Ba Dinh Ward, Hanoi) has organized trade training for 200 laborers and provided them with local jobs at which they are earning stable incomes.

--The skills in which training is provided are consistent with actual production requirements. There are some trades in which the state does not provide training either because the trade is not a general trade or because the number of persons who need to be trained is very small; therefore, the state is not abreast of the production needs of the basic units.

--Trainees receive their training right at basic production units, where they are close to the practical application of their trade; upon the completion of their training, they immediately go to work in direct production without requiring a period of practical training.



--During the time spent providing training, the basic production unit can get to know its future workers and has good conditions in its favor for selecting and assisting trainees upon the completion of their training.

--During their training, trainees also produce finished products; all materials discarded in production are used in training and the production of new products that support production and serve consumer needs.

Haiphong has organized "work-study" classes in the Haiphong Exported Ready-Made Clothing Plant, the Haiphong Bicycle Parts Factory and the Haiphong Motor Vehicle and Railroad Car Repair Plant, thus helping these enterprises exceed their production plan quotas by 15 percent.

Viewed from the social perspective, trainees are always in touch with practice, with skilled workers and are thus able to learn the workstyle of industrial production, learn the ethics and wholesome way of life of the socialist worker. At the same time, workers display greater responsibility and personally teach trainees how to be good workers who meet the selection standards of the enterprise or basic production unit. If the majority of trainees are already workers, even better conditions exist for these things to be achieved and the effect is that trainees and workers inspire one another.

However, non-formal training also has certain drawbacks that must be overcome:

--The programs and subject matter being taught and learned under the different types of training described above must be standardized nationwide, beginning within each locality that employs these forms of training, and must be recognized from a legal standpoint (that is, be recognized by the awarding of trade skill certificates and training diplomas). Only in this way is it possible to insure that the interests of workers are protected while on the job and when transferred to another job.

--Because the amount of time spent in training is short and the conditions (material bases) under which trainees study and live are difficult, trainees only learn a limited amount of theory compared to formal trade training. Therefore, in the course of their work, enterprises or basic production units should organize on-the-job training classes at night to enhance and increase the knowledge that workers have of their trade, especially with regard to theory, if they did not fully learn this theory during their training. In this way, the gap between the theoretical and practical qualifications of workers who received formal training and those who received non-formal training will be closed in only a short amount of time. If this is done, non-formal training will be of high quality and yield high returns.

Under the light of the resolution of the 8th Plenum, providing universal trade training and jobs to youths is a correct and creative approach to which all levels and sectors, including the various levels of the Youth Union, must give their attention so that this effort is put on a regular, stable basis and the groundwork is laid for us to take the initiative in providing jobs each year to young laborers.

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## POPULATION, CUSTOMS, AND CULTURE

### LE DUAN COMMENTS ON AUGUST REVOLUTION

Hanoi TAP CHI QUAN DOI NHAN DAN in Vietnamese Aug 85 pp 9-11

[Article: "General Secretary Le Duan On the August Revolution"]

[Text] The resolution of August 1945 was a glorious people's democratic national revolution by tens of millions of people in our country. It eliminated the state administration of the colonialists and feudalists, founded the Democratic Republic of Vietnam, an independent, democratic country that was truly of the people, and began a new era in the history of our country's development. The victory of the August Revolution was a brilliant success of our people's extremely heroic national liberation movement, which lasted nearly 100 years. It was a victory for Marxism-Leninism in Vietnam and a victory for the correct line toward the democratic national revolution delineated by our Party, which led the people of the entire nation in implementing that line.

The August Revolution was a result of three periods of broad revolutionary campaigns led by our Party. The first was the bourgeois democratic revolutionary campaign in 1930-1931, the high point of which was the Nghe-Tinh Soviet movement. In that campaign the Party emphasized the slogans of expelling the imperialists, overthrowing the feudalists, nationalism and independence, land to the tillers, and the setting up of a worker-peasant regime. The second was the broad democratic campaign from 1936 to 1939. That political campaign rallied millions of the masses to struggle against the colonialist reactionaries and the reactionary monarchists, to demand democracy and the improvement of living conditions, and defend world peace. The third was the national liberation campaign of the Anti-Imperialist National United Front and the Viet Minh Front from the end of 1939-1945. Our Party set up the Viet Minh Front and the national salvation mass associations, built up the armed and semi-armed forces, launched a nationwide national liberation movement and a limited guerrilla war against the Japanese-French fascists, set up the Viet-Bac Liberated Zone and the guerrilla bases, etc.

The victory of the August Revolution created a new source of revolutionary enthusiasm among our people. There arose a revolutionary spirit as strong as a large ocean current.

Political Report of the Party Central  
Committee at the Third Party Congress,  
presented by comrade Le Duan on 5 September  
1960. "Congress Documents," Vol 1, published  
by the Central Committee of the Vietnam Lao  
Dong Party, pp 19, 20

The victory of the August Revolution was a brilliant success of the extremely heroic national liberation struggle waged by the Vietnamese people for nearly 100 years. It eliminated the state of the colonialists and feudalists, founded the Democratic Republic of Vietnam--the first worker-peasant state in southeast Asia--and began a glorious new era in the history of the Vietnamese people. The victory of the August Revolution, as well as the victories of the Vietnamese revolution since then, have proved and contributed to further perfecting the theory of proletarian revolution in Oriental countries.

The August Revolution struck a heavy blow against world imperialism and its colonial system. Therefore, the imperialist aggressors cooperated with one another in attempting to annihilate the Vietnamese revolution.

Under the leadership of the Party, headed by President Ho, the people of the entire nation arose as one to take up arms to save the nation, and resolutely waged an all-round, long-range resistance war by all the people, relied primarily on their own strength, and built a powerful people's army.

The lesson of the August Revolution and the experience of the revolution of the world's people helped the revolutionaries realize that any revolution of a broad mass nature must use both political and military forces and must combine political struggle with armed struggle if it is to win victory. A revolution is an uprising of broad masses who have been oppressed and exploited against the ruling yoke of the oppressors and exploiters, so one must take the viewpoint of mass revolution to understand revolutionary violence, and only by understanding revolutionary violence, the political and military forces, and the political and armed methods of struggle if one is to see the offensive status when the revolutionary situation is ripe. On the other hand, if one takes the view that violence is only armed struggle and thus evaluates the comparison of forces between revolution and counterrevolution only on the basis of the military forces of the two sides, one will commit an error and fail to fully realize the strength of the revolution, and will not dare motivate the masses to arise in revolt. And once the masses have arisen in revolt there will be reluctance to continue the offensive to advance the revolution, or when armed struggle is launched it will be difficult to avoid taking the strategic defensive.

Le Duan, "Advance Enthusiastically  
Under the Great Banner of the August  
Revolution," Su That Publishing House,  
Hanoi, 1967, pp 36, 37, 40 and 41

The October uprising in Russia occurred in the situation of the Czar's army having been defeated at the front, the bourgeois government being no longer

able to use the army, and a large part of the troops having joined the revolution.

Our August General Uprising took place in the situation of the Japanese fascists having been completely defeated and not being able to use their army to oppose the revolution, and the pro-Japanese puppet government having disintegrated before the overwhelming strength of the masses.

Thus the experience of many revolutions indicates clearly that an uprising cannot succeed if the enemy are not defeated militarily, while they can still use the tool of violence to oppose the revolution.

Therefore, in the case of the South wanting to advance to a general uprising it is necessary to defeat the enemy army, which will be defeated primarily by our revolutionary armed forces.

Le Duan, "Letter to Muoi Cuc and the Nam Bo Regional Party Committee, 20 April 1961," from "Letters to the South," Su That Publishing House, Hanoi, 1985, pp 46, 47.

If the national democratic revolution is to develop along the lines of socialism it is necessary to solidly establish the leadership of the working class and make the working class and the peasant class the main forces of the revolution. The August Revolution proved that because of the building of forces in both the rural areas and the cities it was possible to rapidly carry out an uprising and win absolute victory.

In the August Revolution of 1945 the uprising which took place almost simultaneously in the North and in the south, especially, in Hanoi, Hue, and Saigon and manifested the extraordinary creativity of our Party and people provided many lessons which we must apply in guiding the revolutionary war and the uprisings in the cities in the South.

Le Duan, "Letter to the Saigon-Gia Dinh Regional Party Committee, 1 July 1967," from "Letters to the South," 1985 pp 159, 160, 186.

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## SCIENCE AND TECHNOLOGY

### OFFICIAL COMMENTS ON INFORMATICS REVOLUTION

Hanoi KHOA HOC VA DOI SONG in Vietnamese 1 Sep 85 p 3

[Article by Prof Nguyen Xuan Quynh, Deputy Director of the Electronics and Informatics Technology General Department: "The Electronic and Informatics Revolution"]

[Text] During the past several decades electronics technology has made great advances and contributed to creating the distinctive features of modern science and technology. The acme of microcomputer technology was the appearance of integrated microcomputers, i.e. microcomputers all functional parts of which are concentrated on the same semiconductor chip. The appearance of microprocessors in general and microcomputers specifically has brought about a data processing and informatics revolution in the electronics technology sector.

Informatics is a scientific-technical sector which processes data automatically by means of electronic computers. During the past 10 years informatics technology has developed at a record rate with regard to both "hardware" (the physical components) and "software" (the mathematical support). Microcomputers which harmoniously combined "hardware" and "software" brought about a great leap forward in informatics technology and enabled informatics to exert an increasingly greater effect on society and on everyone's lives. Furthermore, large and very large computers are continuing to appear, such as the Cray 2 computer, which makes 500 million calculations a second. in order to solve extremely complex mathematical problems. People are thinking of computers capable of making 1 billion or more calculations per second.

When viewing the situation of electronics and informatics technology in the world vis-a-vis the scientific-technical revolution in our country in the first phase of the period of transition to socialism, we believe that it is necessary to pay attention to the following characteristics:

--Electronics and informatics technology is developing very strongly and very rapidly, especially with regard to its application. The distance between research and application has been shortened to the point that they coincide with each other, and science has truly become a production force.



--The electronic products have a very strong social nature with regard to both breadth and depth. Practically all well-known electronics goods at present are combinations of the scientific-technical labor value and materials of many places in the world.

--With regard to the developing countries, the electronics industry first all advances from application to basic research, and from the assembly of equipment to the production of components. India learned a profound lesson in that regard and reoriented its investment and research so that they could be more appropriate.

--Modern electronics technology includes "software" and "hardware," which are closely combined, and the value of "software" is becoming increasingly dominant (and may account for 80 percent). That enables the developing countries to have the capability of advancing directly to that key sector.

--If the right direction is selected the electronics industry can quickly attain high effectiveness with little capital. The Southeast Asian countries setting up electronics industries realize that a dollar of capital invested in that sector can be turned over dozens of times a year.

From those characteristics we can see that "electronicsization" is one of the basic contents of the scientific-technical revolution in our country in the initial phase of the transition period and is entirely rational. "Electronicsization" will help us advance directly to advanced science and modern industry with modest capital investments and will quickly bring about high economic effectiveness. "Electronicsization" will exert an all-round effect on the economy and society, essentially change the management mode, and thereby improve labor productivity and improve the people's living conditions.

Although our country's electronics industry has been created only recently, in general the Party and state have been concerned with developing it since the August Revolution. From the simple electronic equipment which served the first international news program about the Declaration of Independence read by Uncle Ho at Ba Dinh Square to the electronics system guiding the missiles which shot down the B-52's of the U.S. bandits, the information received from satellites via the Hoa Sen station, etc., Vietnam's electronics sector has continually grown stronger and made great contributions to the revolutionary undertaking during the past 40 years.

In recent years our country's electronics industry has taken form and includes installations to produce electronics components and civilian and national defense electronic equipment. In addition, the electronics research installations of the Ministry of National Defense, the Vietnamese Institutes of Science, the colleges, the ministries, and the sectors have been formed and have begun to exert a strong effect. Especially, they made positive contributions to opposing the electronics warfare of the U.S. imperialists and contributed to winning the "Dien Bien Phu of the air" victory.

Our informatics sector began to take form at the end of the 1960's, when the first Minsk 22 electronic computers were installed in Hanoi. Then we obtained computers with greater capacities and greater speed, such as the ODRA 1304,



the EC-1022, and IBM-360 computers. We effectively applied informatics to management, such as drafting programs to manage cadres, specialized information, materials, banks, etc. electronic computers were used extensively to make scientific-technical calculations, train cadres, and select students. Beginning in 1982 we obtained in addition a number of microcomputers, which began to play a strong role in economic-social management. There were set up at various places in the nation a number of research centers to design and assemble 8-bit and 16-bit microcomputers. Especially, we designed a system to develop applied software that was appropriate to the actual situation. Although our corps of informatics cadres is still young, it is entirely capable of applying mathematics and microprocessing to the economic sectors.

The Party and state have paid all-out attention to building and developing our country's electronics and informatics industry. Under those circumstances, the Electronics and Informatics Technology General Department was formed, with the function of exercising unified state management of the electronics and informatics technology sector. At the same time, the General Department has two principal missions: production and commerce, and scientific research and cadre training.

In order to rapidly contribute to resolving economic-social problems, advance directly to modern science, and bring into play the natural conditions and people of Vietnam, the electronics and informatics technology sector has brought forth an "electronicsization" program which will concentrate principally on resolving the five following principal problems:

1. Researching to increase the reliability and effectiveness of the system of electronic equipment in Vietnam. At present we are using a large number of electronic equipment systems imported from abroad, especially in national defense and security. But because of the environmental and social conditions the effectiveness of that equipment is very low and it often breaks down. Therefore, increasing its reliability and utilization effectiveness has great economic and social significance. Furthermore, that is a true scientific problem which only we can resolve.

2. Researching the mathematical and informatics aspects of the electronic technology sector, specifically researching the wide application of mathematics and informatics technology, especially microprocessing technology in designing, manufacturing, and producing specialized electronic equipment used in communications, public health, measurements, guidance, radio and television, etc. That has helped us keep up with the currents in the world. At the same time, we have built a number of national information processing centers which will soon be capable of joining the international information processing network and taking the most effective "shortcut."

3. Researching and applying technology for manufacturing electronic materials and components from domestic raw materials. Thus we will not immediately begin the production of modern electronic components. Nor do we have to produce all types of components, but concentrate primarily on components that are produced from domestic raw materials, have been tropicalized, and are widely used.

4. Researching the rapid introduction of informatics, especially microprocessing, to economic-social management, and gradually build an informatics industry, including both "hardware" and "software." First of all we must research application and begin with the assembly of informatics equipment to serve the domestic and export needs.

5. Researching and forecasting strategy to develop the electronic industry and informatics technology. That is one of the extremely important matters because electronic technology develops very rapidly, so good strategic forecasting will open the way for the development of science and technology.

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## SCIENCE AND TECHNOLOGY

### VIETNAM PRODUCES MICROCOMPUTER

Hanoi KHOA HOC VA DOI SONG in Vietnamese 1 Sep 85 p 2

[Article by Bich Ha: "The PC-88 16 Bit 'Bamboo' Microcomputer"]

[Text] To meet the steadily increasing needs for microcomputers, the Electronics Research Institute of the Electronics and Informatics Technology General Department is assembling a 16-bit microcomputer bearing the "Bamboo" label.

The computer may be expanded with hardware and software and emulates the following:

- + 8086/8087/8089 to 5 MHz
- + 68000/88008/68010 to 10 MHz
- + Z80/Z80B/Z80H to MHz
- + 8085/8085A-1/8085A-2 to 6 MHz
- + 8048/8748/8040 to 11 MHz

The computer's software is compatible with IBM/PC 16-bit software. The computer is compact, is easy to use and maintain, and operates stably with voltage of between 190 and 260V.

The "Bamboo" microcomputer has been used effectively in economic management in many installations, such as the Control Center and Computer Center of Electric Power Corporation 1, the Tri An hydroelectricity plant, the Ha Tien Cement Mill, the Hanoi Yarn Mill, and the Hanoi Silk Plant.

At present the Electronics and Informatics Technology Research Institute is continuing to:

--Design and install computers for the transportation, water conservancy, and other sectors.

--Study capabilities to expand the memory of the computer and increase its calculating speed.

--Research and design some software items for management and production.

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BIOGRAPHIC

INFORMATION ON VIETNAMESE PERSONALITIES

[The following information on Vietnamese personalities has been extracted from Vietnamese-language sources published in Hanoi, unless otherwise indicated. Asterisked job title indicates that this is the first known press reference to this individual functioning in this capacity.]

Nguyễn Thị Bình [NGUYEENX THIJ BINHF]

\*Counselor of the SRV Representation at the United Nations; on 11 October 1985 she spoke at a conference on "anti-racism" at the United Nations [Geneva]. (QUAN DOI NHAN DAN 17 Oct 85 p 4)

Hoàng Đình Cầu [HOANGF DINH CAAUF]

Vice Minister of Health; Chairman of the Vietnam Medical Association; on 18 October 1985 he attended an awards ceremony at the Interior Ministry. (QUAN DOI NHAN DAN 19 Oct 85 p 4)

Võ Chí Công [VOX CHIS COONG]

Member of the Political Bureau of the CPV; Secretary of the CPV; on 6 November 1985 he attended a wreath laying ceremony at the Lenin Monument in Hanoi. (NHAN DAN 7 Nov 85 p 1)

Huỳnh Cường [HUYNHF CUWOWNG]

Vice Chairman of the National Assembly; on 9 October 1985 he attended a conference in Hungary to discuss the situation of the two countries. (QUAN DOI NHAN DAN 11 Oct 85 p 1)

Võ Văn Đăng [VOX VAWN DANGF]

Chairman of the Quang Nam-Da Nang Branch of the Vietnam-Laos Friendship Association [VLFA]; on 11-12 October 1985 he was present at the inauguration of the Quang Nam-Da Nang Joint State-private Transportation Enterprise Branch of the VLFA and the Da Nang General Hospital Branch of the VLFA marking the 40th anniversary of independence of Laos. (QUAN DOI NHAN DAN 13 Oct 85 p 4)

Ngô Diên [NGOO DIEENF]

SRV ambassador to the PRK; on 12 October 1985 his delegation, headed by General Secretary Le Duan, arrived in Phnom Penh, Cambodia to attend the 5th General Assembly of the PRK. (QUAN DOI NHAN DAN 13 Oct 85 pp 1, 4)

Trần Đỗ [TRAANF DOO]

\*Member of the CPV Central Committee; chairman of the Culture and Education Committee of the National Assembly; on 20 October 1985 he attended the closing ceremony of the Vietnam Film Festival in Hanoi. (QUAN DOI NHAN DAN 21 Oct 85 pp 1, 4)

Lê Xuân Đồng [LEE XUAAN DOONGF]

\*Deputy Chief of the Central Committee Propaganda and Training Department; on 9 October 1985 he was present to welcome a delegation of the Central Committee Propaganda Department of Hungary visiting Vietnam. (QUAN DOI NHAN DAN 12 Oct 85 p 1)

Phan Xuân Đột [PHAN XUAAN DOWTJ]

Member of the CPV Central Committee; Minister of Forestry; on 13 October 1985 he visited state farms in Duyen Hai District, Ho Chi Minh City. (QUAN DOI NHAN DAN 16 Oct 85 pp 1, 4)

Hoàng Minh Giám [HOANGF MINH GIAMS]

Chairman of the Vietnam Committee for Solidarity and Friendship with People of Other Nations; on 6 November 1985 he attended a meeting at the Cultural Hall in Hanoi to commemorate the 68th anniversary of the October Revolution (7 Nov 1917-7 Nov 1985). (NHAN DAN 7 Nov 85 p 1)

Phạm Văn Hoai [PHAMJ VAWN HOAIF]

Chairman of the People's Committee, Minh Hai Province; recently he welcomed the visiting General Secretary Le Duan to his province. (QUAN DOI NHAN DAN 10 Oct 85 pp 1, 4)

Lê Thị Bích Hoàn [LEE THIJ BICHS HOANF], \*Lieutenant Colonel

Deputy Director of the 354th Military Hospital (Internal Medicine); Secretary of the CPV Committee of the hospital; she was commended in an article about talented women of the Rear Service General Department in the cited source. (QUAN DOI NHAN DAN 9 Oct 85 p 1)

Nguyễn Hòa [NGUYEENX HOAF]

Member of the CPV Central Committee; head of the Oil and Gas General Department; on 12 November 1985 he was with a delegation that went to Russia to attend the 11th meeting of the Vietnam-South Inter-governmental Committee. (NHAN DAN 13 Nov 85 p 1)



Vũ Trọng Hối [VUX TRONGJ HOOIF], Colonel, deceased

Born in 1926 at Lien Phuong Village, Nam Ninh District, Ha Nam Ninh Province; member of the CPV; musician and specialist of the Culture Office, Propaganda and Training Department, Political General Department of the People's Army of Vietnam; member of the Vietnam Musician Association; he died following an illness on 22 September 1985. (QUAN DOI NHAN DAN 14 Oct 85 p 4)

Xuân Hồng [XUAAN HOONGF]

Deputy Secretary General of the Vietnam Musician Association; Secretary General of the Musician Association of Ho Chi Minh City; his article on music in Ho Chi Minh City in the past 10 years appeared in the cited source. (QUAN DOI NHAN DAN 19 Oct 85 p 2)

Lê Thiết Hùng [LEE THIEETS HUNGF]

Chairman of the Vietnam Committee in Support of Korea; on 8 October 1985 he attended activities marking the 40th anniversary of the Korean Labor Party in Hanoi. (QUAN DOI NHAN DAN 9 Oct 85 p 4)

Trình Thái Hùng [TRINHJ THAIS HUWNG]

Standing Member of the CPV Committee, Haiphong; Vice Chairman of the People's Committee, Haiphong; on 11 October 1985 he attended the 55th anniversary of the Vietnam's Women Union. (Haiphong HAI PHONG 12 Oct 85 p 1)

Nguyễn Khánh [NGUYEENX KHANHS]

Alternate Member of the CPV Central Committee; Chief of Cabinet of the CPV Central Committee; recently he was with a delegation that went to Japan to attend the 17th Congress of the Japanese Communist Party. (NHAN DAN 16 Nov 85 p 1)

Nguyễn Nam Khánh [NGUYEENX NAM KHANHS], Lieutenant General

Member of the CPV Central Committee; Deputy Chief of the PAVN Political General Department; on 17 October 1985 he was present at a conference with an Ethiopian Labor Party Delegation. (QUAN DOI NHAN DAN 18 Oct 85 pp 1, 4)

Lê Kha<sup>2</sup> [LEE KHAR]

Vice Minister of Communications and Transportation; he gave a speech at a congress of his ministry on 24-25 October 1985. (GIAO THONG VAN TAI 31 Oct 85 p 1)

Nguyễn Phi Khổng [NGUYEENX PHI KHUWOWNG], \*Lieutenant Colonel

Commander of a regiment in frontline position; he was mentioned in an article about his experience in 1972 in the cited source. (QUAN DOI NHAN DAN 14 Oct 85 p 2)

Nguyễn Lam [NGUYEENX LAM]

Secretary of the CPV Central Committee; Chief of the Central Committee Economics Department; on 16 October 1985 he attended a ceremony in Hanoi marking the 30th anniversary of the State Planning Sector. (QUAN DOI NHAN DAN 18 Oct 85 p 1)

Trần Văn Lê [TRAANF VAWN LEEX], \*Colonel

Head of the 7.A Military Hospital; he was mentioned in an article about his unit in the cited source. (QUAN DOI NHAN DAN 21 Oct 85 p 2)

Nguyễn Thị Ngọc Liên [NGUYEENX THIJ NGOCJ LIEEN]

\*Member of the CPV Central Committee; on 12 October 1985 she was with a delegation that went to Cambodia to attend the 5th Congress of the Kampuchean People's Revolutionary Party. (Haiphong HAI PHONG 13 Oct 85 p 1)

Nguyễn Văn Lương [NGUYEENX VAWN LUWOWNG]

Deputy Secretary of the CPV Committee Binh Tri Thien Province; Chairman of the People's Committee, Binh Tri Thien Province; recently he led a delegation headed by the Vice Chairman of the Council of Ministers, Dong Si Nguyen, to inspect the flooded area in his province. (QUAN DOI NHAN DAN 11 Oct 85 pp 1, 4)

Trần Đức Lương [TRAANF DUWCS LUWOWNG]

Alternate member of the CPV Central Committee, head of the Geology General Department; on 21 October 1985 he spoke at a ceremony marking the 30th anniversary of the geology branch. (QUAN DOI NHAN DAN 23 Oct 85 p 1)

Lê Thanh Nghị [LEE THANH NGHIIJ]

Member of the Central Committee of the CPV; Vice Chairman and Secretary General of the Council of State; on 6 November 1985 he attended a wreath laying ceremony at the Lenin Monument in Hanoi. (NHAN DAN 7 Nov 85 p 1)

Đỗ Hữu Nghĩa [DOOX HUWX NGHIIAX]

Deputy Director of the Vietnam Civil Aviation General Department; recently he headed a delegation to Poland to attend CEMA's fifth conference on the employment of airlines to serve national economies. (QUAN DOI NHAN DAN 10 Oct 85 p 4)

Bùi Phùng [BUIF PHUNGF]

\*Member of the CPV Central Committee; member of the Economic, Planning and Budget Committee of the National Assembly; on 9 October 1985 he was present at a conference in Hungary to discuss the situation of the two countries. (QUAN DOI NHAN DAN 11 Oct 85 p 1)

Hồng Thị Phương [HOONFG THIJ PHUWOWNG], \*Lieutenant Colonel

Deputy Chief of the 7.A Military Hospital; she was mentioned in an article about her unit in the cited source. (QUAN DOI NHAN DAN 21 Oct 85 p 2)

<sup>^</sup>Tran Van Quang [TRAANF VAWN QUANG], Colonel General

Vice Minister of National Defense; on 6 November 1985 he attended a meeting at the Cultural Hall in Hanoi to commemorate the 68th anniversary of the October Revolution (7 Nov 1917-7 Nov 1985). (NHAN DAN 7 Nov 85 p 1)

<sup>^</sup>Hoang Quy [HOANGF QUY]

Member of the CPV Central Committee; Minister and First Deputy Chief of the State Planning Commission; on 16 October 1985 he spoke at a ceremony in Hanoi marking the 30th anniversary of the State Planning Sector. (QUAN DOI NHAN DAN 18 Oct 85 p 1)

<sup>^</sup>Ung Rang [UNG RAWNG], Colonel

His article "Attach School With the Battlefield" appeared in the cited source. (QUAN DOI NHAN DAN Oct 85 pp 19-28)

<sup>^</sup>Tran Tan [TRAANF TAANS]

Alternate member of the CPV Central Committee; Deputy Secretary of the Municipal CPV Committee, Hanoi; on 20 October 1985 he attended the signing of an agreement for economic and cultural cooperation between Hanoi and Prague. (QUAN DOI NHAN DAN 21 Oct 85 p 1)

<sup>^</sup>Pham Thai [PHAMJ THAIS] aka: Luong Van Ruc [LUWOWNG VAWN RUWOWCJ], Colonel deceased

Born in 1926 at Hong Viet Village, Dang Hung District, Thai Binh Province; member of the CPV; former Chief of the Criminal Affairs Investigation Department of the Ministry of National Defense; former member of the Provincial CPV Committee, Nam Dinh Province; he died on 16 October 1985 following an illness at the 108th Military Hospital in Hanoi. (QUAN DOI NHAN DAN 18 Oct 85 p 4)

<sup>^</sup>Huynh Cong Than [HUYNHF COONG THAAN]

Chairman of the People's Committee, Long An Province; recently he welcomed a delegation from the newspaper QUAN DOI NHAN DAN to his province. (QUAN DOI NHAN DAN 19 Oct 85 pp 1, 4)

<sup>^</sup>Dao Thien Thi [DAOF THIEENJ THI]

Minister of Labor; chairman of the Vietnam-Ethiopia Friendship Association; on 17 October 1985 he spoke at a reception for a visiting Ethiopian Labor Party delegation at the friendship house in Hanoi. (QUAN DOI NHAN DAN 20 Oct 85 pp 1, 4)

Lý Trần Thi [LYS TRAANF THI] \*Colonel

Head of the 7th Military Hospital; his article about his hospital appeared in the cited source. (QUAN DOI NHAN DAN 17 Oct 85 p 2)

Đỗ Thị Thiệp [DOOX THIJ THIEEP]

Member of the Secretariat of the Central Committee of the Vietnam Confederation of Trade Unions; on 15 October 1985 she spoke at a conference about the development of women laborers and civil servants. (QUAN DOI NHAN DAN 16 Oct 85 pp 1, 4)

Nguyễn Minh Tiến [NGUYEENX MINH TIEENS]

Vice Minister of Interior; on 18 October 1985 he attended an awards ceremony at his ministry. (QUAN DOI NHAN DAN 19 Oct 85 p 4)

Hoàng Tư Trai [HOANFG TUV TRAI]

Deputy Director General of the Vietnam News Agency; Secretary General of the Vietnam Photography Association; on 12 October 1985 he attended an award ceremony marking the 40th anniversary of the Public Security Branch and the 1st Physical Education and Sports Congress. (QUAN DOI NHAN DAN 14 Oct 85 p 4)

Đỗ Trinh [DOOX TRINH] \*Lieutenant General

Deputy Director of the National Defense /dvanced Military Academy; on 18 October 1985 he welcomed a delegation of the Indonesian National Defense Academy to Hanoi. (QUAN DOI NHAN DAN 19 Oct 85 p 1)

Trần Văn Tuấn [TRAANF VAWN TUAANS]

Member of the Hanoi Municipal CPV Committee; Secretary of the Ho Chi Minh Communist Youth Union of Hanoi City, on 20 October 1985 he attended the signing of an agreement for economic and cultural cooperation between Hanoi and Prague in Hanoi. (QUAN DOI NHAN DAN 21 Oct 85 p 1)

Nghiêm Túc [NGHIEEM TUCS] \*Colonel

Deputy Editor-in-Chief of the TAP CHI QUAN DOI NHAN DAN; on 16 October 1985 he spoke at a closing ceremony of a military sports contest in Ho Chi Minh City. (QUAN DOI NHAN DAN 17 Oct 85 pp 1, 4)

Hoàng Tung [HOANGF TUNGF]

Secretary of the CPV; on 6 November 1985 he attended a wreath laying ceremony at the Lenin Monument in Hanoi. (NHAN DAN 7 Nov 85 p 1)

Tr<sup>u</sup>ông T<sup>u</sup>ng [TRUOWONG TUNGF]

Vice Chairman of the People's Committee, Hanoi; on 20 October 1985 he attended the signing of an agreement of economic and cultural cooperation between Hanoi and Prague for 1986-87 in Hanoi. (QUAN DOI NHAN DAN 21 Oct 85 p 1)

Phan Ng<sup>o</sup>c T<sup>u</sup>ở<sup>ng</sup> [PHAN NGOCJ TUWOWNGF]

Alternate Member of the Central Committee of the CPV; Minister of Building; on 12 November 1985 he was with a delegation that went to Russia to attend the 11th meeting of the Vietnam-Soviet Inter-Governmental Committee. (NHAN DAN 13 Nov 85 p 1)

B<sup>u</sup>i Thanh V<sup>à</sup>n [BUIF THANH VAAN] Major General

Deputy Commander and Chief of Staff, 7th Military Region; on 13 October 1985 he spoke at the opening ceremony of an army sports contest in Ho Chi Minh City. (QUAN DOI NHAN DAN 14 Oct 85 pp 1, 4)

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